

HEEP HONG SOCIETY
REPORT AND ACCOUNTS
FOR THE FLAG DAY FUND RAISING EVENT
HELD ON 18 JUNE, 2016
PUBLIC SUBSCRIPTION PERMIT NO.: FD/R047/2016

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CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT ASSURANCE REPORT TO THE EXECUTIVE COMMITTEE OF HEEP HONG SOCIETY (“the Society”)

Public Subscription Permit No: [FD/R047/2016]

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”), we have been requested to report on the attached income and expenditure account of the Society’s Regional flag day fund-raising activity in Hong Kong Island held on 18 June, 2016 (“the Event”).

Responsibilities of the Executive Committee Members

The Executive 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.

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

Practitioner’s Responsibilities

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

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

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

Our engagement included carrying out limited procedures for obtaining sufficient appropriate evidence to be able to draw a conclusion, such as inquiries primarily of persons responsible for financial and accounting matters 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.

INDEPENDENT ASSURANCE REPORT
TO THE EXECUTIVE COMMITTEE OF HEEP HONG SOCIETY ("the Society")

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 include all transactions relating to the Event. It was impracticable for us to quantify the potential impact of this on the income and expenditure account. Accordingly, our report relates solely to the income and expenditure account prepared from transactions that have been recorded in the 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.



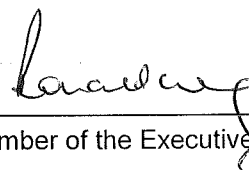
Fan, Chan & Co.
Certified Public Accountants
Hong Kong, 24 August, 2016

HEEP HONG SOCIETY
INCOME AND EXPENDITURE ACCOUNT
OF THE FLAG DAY FUND RAISING EVENT
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	HK\$
<u>Income</u>	
Flag day collection	808,306
Donation received	<u>271,533</u>
	<u>1,079,839</u>
 <u>Expenditure</u>	
Audit fee	3,000
Bank charges	1,131
Collection bags	8,500
Insurance	1,110
Postage	2,715
Printing and stationery	13,665
Transportation	5,232
Sundry expenses	<u>276</u>
	<u>35,629</u>
 Net income	 <u><u>1,044,210</u></u>



Member of the Executive Committee



Member of the Executive Committee

Dated, 24 August, 2016

HEEP HONG SOCIETY
NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
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1. General

The flag day fund-raising activity is organised by Heep Hong Society ("the Society") for the purpose of raising funds for operating costs for non-subvented Parents Resource Centres in Jockey Club Parents Resource Centre and Ma On Shan, providing comprehensive support and counseling services to children with special needs and their parents. The activity was held on 18 June, 2016 in Hong Kong Island region.

2. Basis of preparation

The income and expenditure account has been prepared on the cash receipts basis. On this basis, income is recognised when received, and expenditures are charged against income when paid.

3. Significant accounting policies

Revenue recognition

Revenue from street collection is recognised on a cash receipt basis.

Revenue from donation is recognised on a cash receipt basis.