



BAKER TILLY
HONG KONG | 天職 香港

Christian Action

Income and expenditure account

Flag Day – Hong Kong Island held on 9 August 2017

Public Subscription Permit No: FD/R086/2017

Ref : C746 (9.8.2017)

Christian Action

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Independent assurance report to the executive committee members of Christian Action (“the Association”)

Public Subscription Permit No: FD/R086/2017

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 Association’s regional flag day fund-raising activity in Hong Kong Island region held on 9 August 2017 (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 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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.

Independent assurance report to the executive committee members of Christian Action (“the Association”) (continued)

Public Subscription Permit No: FD/R086/2017

Practitioner’s responsibilities (continued)

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

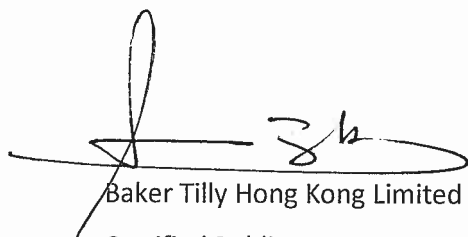
Due to the nature of cash receipts and expenses relating to the Event, it was not practicable for us to determine whether the income and expenditure account and the books and records of the Association include all transactions relating to the Event. It was impracticable for us to quantify the potential 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 Association'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 Association 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 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. We agree that a copy of this report may be provided to the Director of Social Welfare without further comment from us.



Baker Tilly Hong Kong Limited
Certified Public Accountants

Hong Kong, - 1 NOV 2017

Lo Wing See

Practising certificate number P04607

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(Expressed in Hong Kong dollars)

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HKD

Income

Donation income	328,382
Flag day street collections	<u>214,406</u>
	<u>542,788</u>

Expenditure

Auditor's remuneration	7,000
Bank charges	86
Insurance	1,840
Program activities	5,371
Promotion	448
Transportation	3,701
Volunteer allowance	<u>900</u>
	<u>19,346</u>

Excess of income over expenditure 523,442

Approved and authorised for issue by the Executive Committee on - 1 NOV 2017



Fung Chi Keung
Executive Committee Member



Julian Peter Walsh
Hon. Treasurer

Christian Action

Notes to the income and expenditure account

Flag Day – Hong Kong Island held on 9 August 2017

(Expressed in Hong Kong dollars)

Public Subscription Permit No: FD/R086/2017

1 General

Christian Action was incorporated on 12 November 1985 under the Companies Ordinance for the purpose of helping refugees in Hong Kong. Its work has expanded to include welfare, educational and training services for other displaced persons and local Hong Kong residents. At the same time, it has extended its services to assist vulnerable families and children in Mainland China.

The aim of the flag day fund raising event is to raise funds for supporting the comprehensive programs for the underprivileged and marginalized children and their families living in Hong Kong, including the new arrivals, ethnic minorities, refugees, asylum seekers and low-income earners.

2 Basis of preparation

The principal accounting policies adopted are set out below:-

- (a) Donation income is recognised when the right to receive payment has been established.
- (b) Only expenditure directly incurred for the event is recorded, on cash basis, in income and expenditure account.

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