

YANG MEMORIAL METHODIST SOCIAL SERVICE  
IN RESPECT OF THE TERRITORY-WIDE FLAG DAY  
HELD ON 31 OCTOBER 2020

PUBLIC SUBSCRIPTION PERMIT NO. FD/T004/2020

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT AND  
STATEMENT OF INCOME AND EXPENDITURE

進高會計師事務所有限公司  
JK & PARTNERS CPA LIMITED  
CERTIFIED PUBLIC ACCOUNTANTS  
*Hong Kong*

**PROJECT: IN RESPECT OF THE TERRITORY-WIDE FLAG DAY  
(PUBLIC SUBSCRIPTION PERMIT NO. FD/T004/2020)  
(OPERATED BY YANG MEMORIAL METHODIST SOCIAL SERVICE)**

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# **JK & PARTNERS CPA LIMITED**

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## **INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTOR OF YANG MEMORIAL METHODIST SOCIAL SERVICE**

**PROJECT: IN RESPECT OF THE TERRITORY-WIDE FLAG DAY  
(PUBLIC SUBSCRIPTION PERMIT NO. FD/T004/2020)**

**HELD ON 31 OCTOBER 2020**

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 Permittee's territory-wide flag day fund-raising activity held on 31 October 2020 ("the Event").

### ***Responsibilities of the Directors***

The Director is responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in notes 1 and 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.

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**HELD ON 31 OCTOBER 2020**

### *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 (Revised), 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.

### *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 Permittee 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 Permittee'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 Permittee 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 notes 1 and 2.

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DIRECTOR OF YANG MEMORIAL METHODIST SOCIAL SERVICE**

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**HELD ON 31 OCTOBER 2020**

*Intended Users and Purpose*

This report is intended solely for the purpose of assisting the Permittee to satisfy the conditions stated in the Public Subscription Permit issued by the 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.

JK & Partners CPA Ltd

JK & Partners CPA Limited  
Certified Public Accountants (Practising)  
Hong Kong,

22 JAN 2021

Young Kwok Kwong  
Practising Certificate No.: P04491


**STATEMENT OF INCOME AND EXPENDITURE BY YANG MEMORIAL  
METHODIST SOCIAL SERVICE**

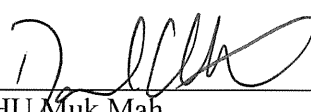
**IN RESPECT OF THE TERRITORY-WIDE FLAG DAY  
(PUBLIC SUBSCRIPTION PERMIT NO. FD/T004/2020)**

**HELD ON 31ST OCTOBER 2020**

	HK\$
<b><u>Income</u></b>	
Street collections	454,388.25
Other forms of appeals	714,776.00
<b>Total income</b>	<u>1,169,164.25</u>
<b><u>Expenditure</u></b>	
Money collection bags	23,700.00
Advertising and promotion	2,797.30
Allowances / souvenirs for volunteers	12,000.00
Auditors' remuneration	6,300.00
Printing and stationery	30,215.40
Transportation / travelling	7,617.00
Miscellaneous	9,871.57
<b>Total expenditures</b>	<u>92,501.27</u>
<b>Excess of income over expenditure</b>	<u><u>1,076,662.98</u></u>

Approved and authorised for issue by the Board of Directors on 22 JAN 2021

  
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Rev. Dr. LAM Sung-Che  
Chairperson

  
\_\_\_\_\_  
CHU Muk Mah  
Director

# **YANG MEMORIAL METHODIST SOCIAL SERVICE**

## **NOTES TO STATEMENT OF INCOME AND EXPENDITURE**

### **1. Basis of preparation**

The statement of income and expenditure has been prepared 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, and on an accrual's basis.

### **2. Income recognition**

Donations are recognized when they are received or receipt thereof is certain.

### **3. Purpose of the flag day fund-raising activity**

The flag day fund-raising activity aims to arise funds for the following:

- (a) Tin Shui Wai Family Education and Support Centre;
- (b) Ethnic minorities who are living in Yau Tsim Mong District;
- (c) Self-Finance Residential Care Homes;
- (d) Cornwall Cafe-To provide training and work opportunities for persons with disabilities; and
- (e) Sham Shui Po Nursing Homes, Care and Attention Homes for the Elderly and Day Care Service (For self-financed part).

### **4. Donations credited to the bank**

All the flag day proceeds collected [i.e. HK\$1,169,164.25] have been credited to the designated bank account of the Permittee before being used for payment of expenditures for the flag day and/ or the purpose(s) specified in the permit on 31 October 2020.