

ASBURY METHODIST SOCIAL SERVICE
FLAG DAY FUND RAISING EVENT

FINANCIAL STATEMENTS

HELD ON 26th NOVEMBER 2016

麥永建、何麗賢會計師行有限公司
W. K. MAK & STELLA HO CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

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麥永建、何麗賢會計師行有限公司

INDEPENDENT ASSURANCE REPORT TO THE 2016 FLAG DAY FUND-RAISING COMMITTEE OF ASBURY METHODIST SOCIAL SERVICE (THE "PERMITTEE")

Public Subscription Permit No: [FD/R072/2016]

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 Permittee's regional flag day fund-raising activity in New Territories region held on 26 November 2016 ("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(a), 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.

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 Hong Kong Institute of Certified Public Accountants. 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, analytical procedures applied to financial data, 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.

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Public Subscription Permit No: [FD/R072/2016]

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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 note 2(a).

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 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.

W.K. MAK & STELLA HO CPA LIMITED
Certified Public Accountants
HONG KONG, 21 FEB 2017

ASBURY METHODIST SOCIAL SERVICE

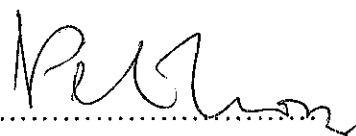
FLAG DAY FUND RAISING EVENT HELD ON 26 NOVEMBER 2016

Public Subscription Permit No. : FD/R072/2016

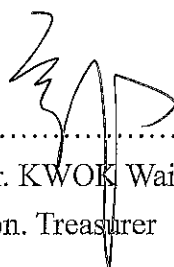
INCOME AND EXPENDITURE ACCOUNT

INCOME	HK\$	HK\$
Street collections		426,054.05
Appeal donations		80,362.20
		<hr/>
		506,416.25
EXPENDITURE		
Advertisement	11,632.50	
Auditors' remuneration	2,500.00	
Repair of flag bags	3,900.80	
Banner and poster	5,600.00	
Golden flag labels	6,000.00	
Postage	1,544.40	
Insurance	3,870.00	
Bank charges	214.00	
Transportation	15,319.70	
		<hr/>
		50,581.40
Excess of income over expenditure		<hr/>
		455,834.85

Approved and authorized for issue by the Board of Directors on 21 FEB 2017



The Rev. WONG Yuk Chee
Chairman



Mr. KWOK Wai Hung
Hon. Treasurer

ASBURY METHODIST SOCIAL SERVICE

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Asbury Methodist Social Service engaged in the provision of various kinds of social services, programme and activities through the operation of social centres for Integrated Children and Youth Services Centre, Neighbourhood Elderly Centre, Yat Kwai Integrated Service Centre, Family Growth and Resource Centre, School Social Work Service, and Special Education Needs Service, etc.

The Permittee is incorporated in Hong Kong. The registered office is at 1 Sheung Kok Street, Tai Wo Hau, Kwai Chung, New Territories.

2 Significant accounting policies

(a) Basis of preparation

This income and expenditure account has been prepared in accordance with Hong Kong Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Review of Historical Financial Information ("HKSAE 3000") issued by the Hong Kong Institute of Certified Public Accountants.

The measurement basis used in the preparation of the income and expenditure account is the historical cost basis.

(b) Revenue recognition

Donations are recognized when cash is received.

(c) Expenditure

Expenditures are accounted for on an accrual basis.

3 The purposes of the flag day fund-raising event are for:

- (i) Supporting appropriate services to families in extreme poverty; and
- (ii) Supporting services to the children and youth with the special learning disabilities.

4 Taxation

No provision for Hong Kong profits tax has been provided as the Foundation is an approved charitable institution that is exempt from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance.