

THE LOK SIN TONG BENEVOLENT SOCIETY, KOWLOON  
INCOME AND EXPENDITURE ACCOUNT OF TERRITORY-WIDE FLAG  
DAY FUND-RAISING ACTIVITIES COVERED BY PUBLIC SUBSCRIPTION  
PERMIT NO. FD/T020/2019 ISSUED BY SOCIAL WELFARE  
DEPARTMENT HELD ON 6TH JULY 2019

QUINNIE SAU HING LAU

Certified Public Accountant

**Quinnie Sau Hing LAU**  
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**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT**  
**TO THE EXECUTIVE COMMITTEE MEMBERS OF**  
**THE LOK SIN TONG BENEVOLENT SOCIETY, KOWLOON ("the Permittee")**

Public Subscription Permit No: FD/T020/2019

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"), I have been requested to report on the attached income and expenditure account of the Permittee's territory-wide flag day fund-raising activities held on 6th July 2019 ("the Event").

**Responsibilities of the Executive 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 1, 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.

**My Independence and Quality Control**

I 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.

I apply 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**

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

I conducted my 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. I have planned and performed my work to obtain limited assurance for giving my conclusion below.

**Quinnie Sau Hing LAU**  
**Certified Public Accountant (Practising)**  
**劉秀馨執業會計師**

九龍旺角彌敦道 776-778 號恒利商業大廈 3 樓 305 室

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT (Continued)  
TO THE EXECUTIVE COMMITTEE MEMBERS OF  
THE LOK SIN TONG BENEVOLENT SOCIETY, KOWLOON ("the Permittee")

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 me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

My 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 I 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 me 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 me to quantify the potential impact of this on the income and expenditure account. Accordingly, my 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, I report that nothing has come to my attention that causes me 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 me in accordance with the basis of preparation set out in Note 1.

**Intended User and of 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. I agree that a copy of this report may be provided to the Director of Social Welfare without further comment from me.



Quinnie Sau Hing Lau  
Certified Public Accountant (Practising)

Hong Kong, 30 SEP 2019

THE LOK SIN TONG BENEVOLENT SOCIETY, KOWLOON  
INCOME AND EXPENDITURE ACCOUNT OF TERRITORY-WIDE FLAG DAY  
FUND-RAISING ACTIVITIES COVERED BY PUBLIC SUBSCRIPTION PERMIT NO.  
FD/T020/2019 ISSUED BY SOCIAL WELFARE DEPARTMENT HELD ON 6TH JULY 2019

6th July 2019

HK\$

Income

Flag day collections	1,027,651.10
Other donations	906,928.50
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	1,934,579.60

Expenditure

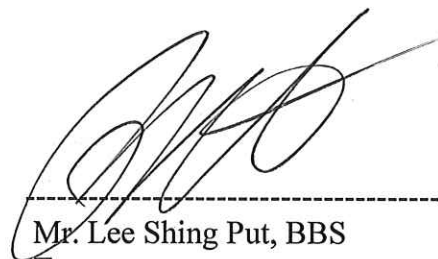
Money collection bags	23,340.10
Flags	19,780.00
Advertising	73,150.00
Insurance	8,226.78
Postage	2,641.60
Security charge	6,200.00
Travel allowance for volunteers	43,885.00
Transportation	12,883.70
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Total expenditures	190,107.18
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Excess of income over expenditure	1,744,472.42

The income and expenditure account and the notes on P. 4 were approved by the Executive Committee Members of The Lok Sin Tong Benevolent Society, Kowloon on **30 SEP 2019**

On behalf of the Executive Committee Members



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Dr. Yang Xiao Ling  
Chairman



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Mr. Lee Shing Put, BBS  
Treasurer

THE LOK SIN TONG BENEVOLENT SOCIETY, KOWLOON  
NOTES TO THE INCOME AND EXPENDITURE ACCOUNT OF TERRITORY-WIDE FLAG  
DAY FUND-RAISING ACTIVITIES COVERED BY PUBLIC SUBSCRIPTION PERMIT NO.  
FD/T020/2019 ISSUED BY SOCIAL WELFARE DEPARTMENT HELD ON 6TH JULY 2019

1. General information

The Permittee was incorporated in Hong Kong under the Hong Kong Companies Ordinance as a Hong Kong company limited by guarantee and not having a share capital. The registered office of the Permittee is located at 61, Lung Kong Road, Kowloon City, Kowloon, Hong Kong.

2. Basis of preparation

The purpose of the territory-wide flag day fund-raising event is for supporting the Permittee's primary care medical services and charitable social welfare services, including ethnic minority supporting services, speech therapy, free meal services, elderly services at Hoi Wan Road Elderly Home, child after school support service and other services.

The income and expenditure account has been prepared in accordance with accrual basis of accounting.

The significant accounting policies are set out below:

(a) Revenue recognition

(i) Flag day collections

Public Subscription Permit issued by SWD authorizes the Permittee to conduct the Event by moving around solicitation with money collection bags. Proceeds from the Event are recognized when received; and

(ii) Other donations

Other donations through the Permittee's internal appeals for the Event and proceeds from the Event are recognized when received.

3. Donations credited to the bank

All the territory-wide flag day proceeds collected \$1,934,579.60 have been credited to the designated bank account of the Permittee before being used for payment of expenditure for territory-wide flag day and the purposes specified in the permit on 4th September 2019.