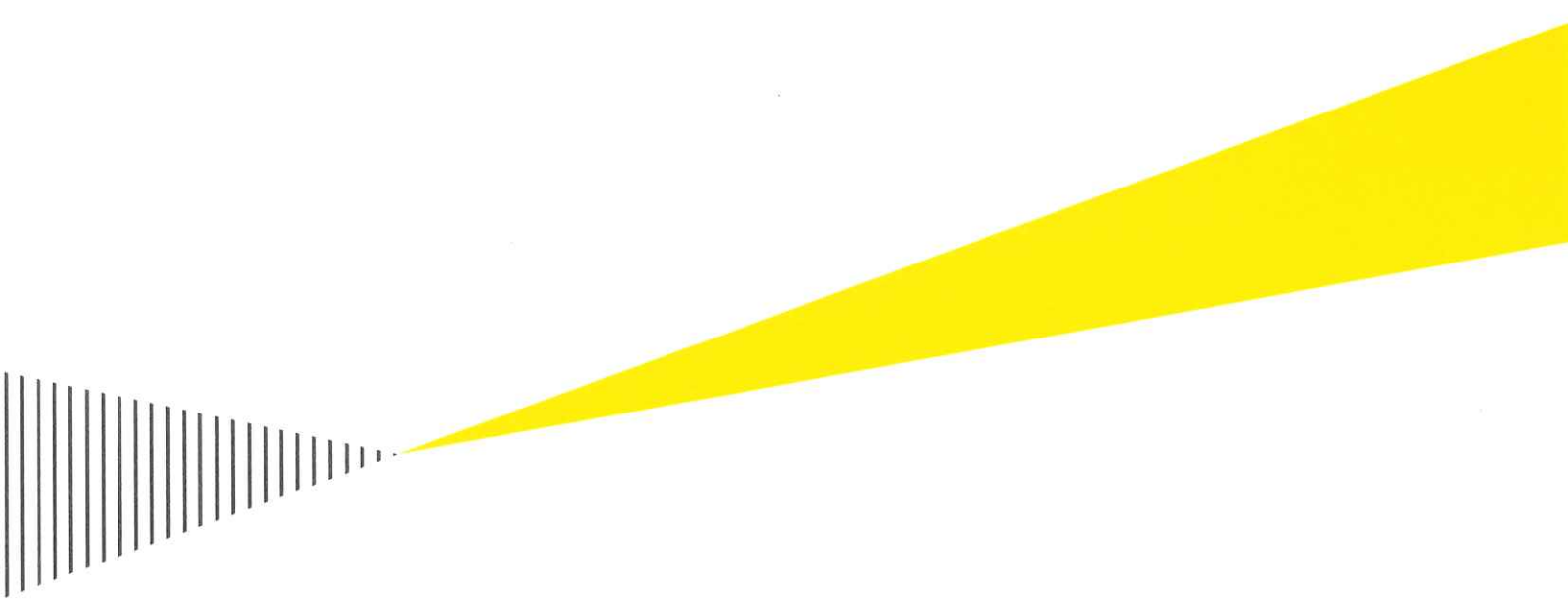


THE LOK SIN TONG BENEVOLENT SOCIETY, KOWLOON

INCOME AND EXPENDITURE ACCOUNT OF CHARITY CANDY SALES FUND-RAISING
ACTIVITIES COVERED BY PUBLIC SUBSCRIPTION PERMIT NO. 2018/056/1 ISSUED
BY SOCIAL WELFARE DEPARTMENT HELD DURING THE PERIOD FROM 17TH
MARCH 2018 TO 25TH MARCH 2018



THE LOK SIN TONG BENEVOLENT SOCIETY, KOWLOON

PUBLIC SUBSCRIPTION PERMIT NO. 2018/056/01

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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: 2018/056/1

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 Charity Candy Sales fund-raising activities held during the period from 17 March 2018 to 25 March 2018 ("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 3, 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.



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

PUBLIC SUBSCRIPTION PERMIT NO: 2018/056/1

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, 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.

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 3.

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.

Certified Public Accountants

Hong Kong


28 May 2018

THE LOK SIN TONG BENEVOLENT SOCIETY, KOWLOON


INCOME AND EXPENDITURE ACCOUNT OF CHARITY CANDY SALES FUND-RAISING
ACTIVITIES COVERED BY PUBLIC SUBSCRIPTION PERMIT NO. 2018/056/1 ISSUED
BY SOCIAL WELFARE DEPARTMENT HELD DURING THE PERIOD FROM 17TH
MARCH 2018 TO 25TH MARCH 2018

	For the period from 17 Mar 2018 to 25 Mar 2018
	HK\$
INCOME	
Charity Candy Sales	913,183.50
Other donations	817,105.30
TOTAL INCOME	<u>1,730,288.80</u>
EXPENDITURE	
Rental expenses	2,164.00
Candy cost	47,800.00
Packages	35,000.00
Design expenses	18,337.00
Money box	44,392.00
Printing and stationery	6,000.00
Advertisement	88,092.60
Insurance	7,501.72
Travel allowance for volunteers	29,730.00
Transportation for candy & other materials	26,026.60
Security charge	650.00
General expenses	2,605.90
TOTAL EXPENDITURE	<u>308,299.82</u>
NET INCOME	<u><u>1,421,988.98</u></u>

On behalf of the Executive Committee



Mr. Lee Shing Put
Chairman



Ir. Kwok Yu Won, Eric
Treasurer

THE LOK SIN TONG BENEVOLENT SOCIETY, KOWLOON

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT OF CHARITY CANDY SALES
FUND-RAISING ACTIVITIES COVERED BY PUBLIC SUBSCRIPTION PERMIT NO. 2018/056/1
ISSUED BY SOCIAL WELFARE DEPARTMENT HELD DURING THE PERIOD FROM 17TH
MARCH 2018 TO 25TH MARCH 2018

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. APPLICATION OF FUNDS RAISED

The purpose of the Charity Candy Sales fund-raising event is for supporting the Permittee's medical, education, elderly care and social welfare services.

3. BASIS OF PREPARATION

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

(a) Charity Candy Sales

Public Subscription Permit issued by SWD authorises the Permittee to conduct the Event via the donation boxes at the specified points of sale for charitable purposes. Proceeds from the Event are recognised when received; and

(b) Other donations

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

5. APPROVAL OF THE INCOME AND EXPENDITURE ACCOUNT

The income and expenditure account was approved and authorised for issue by Executive Committee Members of The Lok Sin Tong Benevolent Society, Kowloon on 28 May 2018.

