

**CHRISTIAN & MISSIONARY ALLIANCE CHURCH
UNION HONG KONG LIMITED**

REPORT AND ACCOUNTS

FOR THE FLAG DAY FUND RAISING EVENT

HELD ON 12 December, 2020

PUBLIC SUBSCRIPTION PERMIT NO.: FD/T007/2020

CONTENTS

	PAGE
INDEPENDENT ASSURANCE REPORT	1 - 2
INCOME AND EXPENDITURE ACCOUNT	3
NOTES TO THE INCOME AND EXPENITURE ACCOUNT	4

范陳會計師行有限公司
FAN, CHAN & CO. LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG



INDEPENDENT ASSURANCE REPORT
TO THE BOARD OF DIRECTORS OF
CHRISTIAN & MISSIONARY ALLIANCE CHURCH UNION HONG KONG LIMITED (“the Permittee”)

Public Subscription Permit No.: [FD/T007/2020]

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 12 December, 2020 (“the Event”).

Responsibilities of the Board of Directors

The Board of Directors 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 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 (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.



范陳會計師行有限公司
Fan, Chan & Co. Limited

INDEPENDENT ASSURANCE REPORT
TO THE BOARD OF DIRECTORS OF
CHRISTIAN & MISSIONARY ALLIANCE CHURCH UNION HONG KONG LIMITED (“the Permittee”)

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.

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.

Fan, Chan & Co. Limited
Certified Public Accountants
Leung Kwong Kin
Practising Certificate Number: P03702

Hong Kong, 24 February, 2021

CHRISTIAN & MISSIONARY ALLIANCE CHURCH UNION HONG KONG LIMITED

INCOME AND EXPENDITURE ACCOUNT
OF THE FLAG DAY FUND RAISING EVENT
HELD ON 12 DECEMBER, 2020
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	Note	HK\$
<u>Income</u>		
Flag day street sales	(4)	-
Other donation income		<u>838,867.80</u>
<u>Expenditure</u>		
eDonation system setup expenses		18,200.00
Printing and stationery		26,915.00
Honorarium and meal for volunteers		23,200.00
Transportation		282.10
Postages		<u>4,347.90</u>
		<u>72,945.00</u>
Surplus for the event		<u>765,922.80</u>

Approved and authorised for issue by the Board of Directors on 24 February, 2021



Director



Director

CHRISTIAN & MISSIONARY ALLIANCE CHURCH UNION HONG KONG LIMITED

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

FOR THE FLAG DAY FUND RAISING EVENT

HELD ON 12 DECEMBER, 2020

PUBLIC SUBSCRIPTION PERMIT NO.: FD/T007/2020

1. General

The flag day fund-raising activity is organised by Christian & Missionary Alliance Church Union Hong Kong Limited ("the Permittee") for the purpose of raising funds for financing the expenditure of personal emolument for the self-financed C & M A Tsui Lok Good Neighbours Centre for the Elderly, C & M A Riviera Gardens Elderly Learning Centre and Programmes for Children and Families. The activity was held on 12 December, 2020 in Territory-wide.

2. Basis of preparation

The significant accounting policies are set out below:

The income collected and expenditure incurred for this event held on 12 December, 2020 are recognised on an accrual basis.

3. Donations credited to the bank

All the flag day proceeds collected (i.e. HK\$838,867.80) 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 purposes specified in the permit by 20 January, 2021.

4. Flag day street sales

The flag day street sales held on 12 December, 2020 were cancelled for the sake of safety of participating volunteers, staff and the public due to the novel coronavirus outbreak. Accordingly, no street collection income was received on the flag day event on 12 December, 2020. However, donation continued to be collected through other methods.