

香港航空青年團
HONG KONG AIR CADET CORPS
INDEPENDENT PRACTITIONER'S ASSURANCE REPORT
FOR FLAG DAY APPEAL ON
24TH SEPTEMBER 2016

R E P O R T A N D A C C O U N T

謝煜權會計師事務所有限公司
Raymond Y. K. Tse & Co. CPA Limited
Certified Public Accountants (Practising)
HONG KONG

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT
TO THE EXECUTIVE MEMBERS OF HONG KONG AIR CADET CORPS ("the Corps")

PUBLIC SUBSCRIPTION PERMIT NO. FD/R062/2016

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 Corps' regional flag day fund-raising activities in Kowloon Region held on 24th September 2016 ("the Event").

Respective responsibilities of the Executives and Practitioner

The Executives 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.

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 and audit opinion.

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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 Corps 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 Corps' 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 Corps 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 1.

Intended users and purpose

This report is intended solely for the purpose of assisting the Corps 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.



Raymond Y. K. Tse & Co. CPA Limited
Certified Public Accountants (Practising)

Tse Wing Sing, Victor
Practising Certificate Number : P03617

Dated this Hong Kong : 30th day of November 2016

HONG KONG AIR CADET CORPS
 INCOME AND EXPENDITURE ACCOUNT
 FOR FLAG DAY APPEAL HELD ON 24TH SEPTEMBER 2016
 IN KOWLOON REGION
 PUBLIC SUBSCRIPTION PERMIT NO. FD / R062 / 2016

	HK\$	HK\$
Income		
Appeal letters	117,460.00	
Flag day collection	<u>492,998.90</u>	610,458.90
Less : Expenditure		
Audit fee	2,600.00	
Cleaning and repair fees of flag bags	2,127.00	
Certificates and souvenirs for helpers	5,040.00	
Insurance	2,200.00	
Octopus handling services charges	2,000.00	
Printing and stationery	2,327.00	
Postage	1,645.80	
Sundry expenses	853.00	
Transportation charges	<u>1,584.06</u>	<u>20,376.86</u>
Surplus		<u><u>590,082.04</u></u>

Approved by the Board of Executives on 30th day of November 2016
 On behalf of the Board



Chairman
 Mr. Peter Cham Chiu CHAU
 BBS MBE QPM CPM FIMGT



Honorary Treasurer
 Mr. Edwin Wing Chu LAU
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HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 1 Basis of preparation and accounting policies

The income and expenditure account has been prepared 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 the 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 Accounts ("HKICPA") and the requirement of the Social Welfare Department of the Government of the Hong Kong Special Administrative Region (SWD). It has been prepared under the accruals basis of accounting.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Income

Income is recognised when it is probable that the economic benefits will flow to the Corps and when the income can be measured reliably, on the following basis:

Flag day fund-raising income is recognised when the cash and cheque are received from the donor in the event.

Note 2 General information and the purpose of the Event

The Social Welfare Department has issued a Public Subscription Permit No. FD/R062/2016 on 18th December 2015 to the Corps to conduct flag day fund-raising activities on 24th September 2016 on Kowloon Region in accordance with Section 4(17)(i) of the Summary Offences Ordinance (Cap.228).

The total flag day fund-raising income in the amount of HK\$610,458.90 were deposited to the Corps' bank account. The purpose of this flag day fund-raising activities was used for implementing programmes and sustaining activities in the year of 2016/2017.