

HONG KONG ASSOCIATION OF THE DEAF

(PUBLIC SUBSCRIPTION PERMIT NO. FD/T027/2016)

FUND RAISING APPEAL ON 17TH AUGUST, 2016

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INDEPENDENT AUDITORS' ASSURANCE REPORT

TO THE COMMITTEE MEMBERS OF HONG KONG ASSOCIATION OF THE DEAF ("the Permittee")

PUBLIC SUBSCRIPTION PERMIT NO: FD/T027/2016

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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 and general charitable fund-raising activity held on 17th August, 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, 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.

Auditors' 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.

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班利仕會計師事務所有限公司 BENTLEYS C.P.A. COMPANY LIMITED

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INDEPENDENT AUDITORS' ASSURANCE REPORT
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Auditors' Responsibilities (Cont'd)

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 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

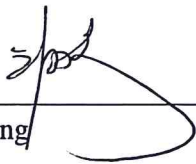
This report is intended solely for the purpose of assisting the Permittee to satisfy the conditions stated in the Public Subscription Permit issued by SWD in connection with the Event and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the Director of Social Welfare without further comment from us.

Bentleys C.P.A. Company Limited
Certified Public Accountants
Hong Kong, 3rd January, 2017
Lam Wing Yi, Jerry, Certificate number P01522

HONG KONG ASSOCIATION OF THE DEAF
INCOME AND EXPENDITURE ACCOUNT
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	HK\$
INCOME	
Proceeds from street collections	156,498.10
Proceeds from golden flag project for the flag day	<u>531,562.00</u>
	<u>688,060.10</u>
EXPENSES	
Flag bags, flags and related expenses	15,721.30
Guarding service fees	12,600.00
Insurance	1,100.00
Printing and stationery	1,423.70
Transportation	<u>95.00</u>
	<u>30,940.00</u>
SURPLUS	<u>657,120.10</u>

The annexed notes on page 4 form an integral part of this income and expenditure account .



Lau Lai Fong
President

Date: 3rd January, 2017

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NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
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1. REPORTING ENTITY

Flag day fund-raising and general charitable fund-raising event are organised by Hong Kong Association of the Deaf for the purpose of the raising charitable funds to providing the following services for the deaf:-

- daily operation expenses
- educational support for Deaf and Hard-of-Hearing children
- vocational service and family support service for the Deaf and Hard-of-Hearing
- adult education service recreational service for the Deaf and Hard-of-Hearing
- audiological service and speech therapy service for the Deaf and Hard-of-Hearing

The address of its registered office is situated at No. 109 & 111-118, G/F., Chi Mei House, Choi Hung Estate, Kowloon, Hong Kong.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

The significant accounting policies are set out below:

(a) Statement of compliance

These income and expenditure account and notes thereto have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRS), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKAS) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

(b) Recognition of revenue

Income is recognised when cash received.

(c) Taxation

Provision for taxation is not required as the Event has been exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.