

HONG KONG CIVIC EDUCATION FOUNDATION LIMITED
- GENERAL CHARITABLE FUND-RAISING ACTIVITY

To the directors of
HONG KONG CIVIC EDUCATION FOUNDATION LIMITED
- GENERAL CHARITABLE FUND-RAISING ACTIVITY
(DONATION BOX 2018: PUBLIC SUBSCRIPTION PERMIT NO. 2018/112/1)

Dear Sir,

RE: HONG KONG CIVIC EDUCATION FOUNDATION LIMITED (the "Permittee")
- GENERAL CHARITABLE FUND-RAISING ACTIVITY (the "Event")

Objective of services

You have requested that we report on the income and expenditure account of the Permittee's general charitable fund-raising activity held on April 27, 2018 ("the Event"). We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our work will be conducted with the objective of our expressing a conclusion on the income and expenditure account.

Responsibilities of the directors

In applying for the Public Subscription Permit ("Permit") issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD") for collecting donations in a public place, you are responsible, as the permit holder, for closely monitoring the Event and accounting for the monies collected which the public have contributed and complying with conditions stated in the Permit. You are obliged to prepare the income and expenditure account showing all monies received from the public subscription and the disbursements made from the monies so collected or received.

As directors of the Permittee, you are responsible to implement appropriate controls to ensure as far as reasonably practicable that all income from the Event to which the Permittee is entitled and all related expenses are properly accounted for. It is also important for the Permittee to have controls not only over collecting monies, but also over the recruitment of collectors as well as controls over deposit of monies collected, control over expenditure and preparation of accounts relating to the Event.

You are responsible for ensuring that the Permittee maintains proper books and records such that all income and expenses are properly accounted for and recorded.

You are also responsible for making available to us, all records, documents, books, and accounts and to such information and explanations that, in our opinion, are necessary to conduct the engagement.

(To be continued with page 2)

Responsibilities of the practitioner

Our responsibility is to report to you for your onward submission to the Director of Social Welfare stating whether or not, anything has come to our attention that causes us to believe that the 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.

Scope and limitations of our work

Our work will be carried out 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 Hong Kong Institute of Certified Public Accountants. Our work will consist of 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.

Our work undertaken 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.

Furthermore, 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.

As part of our procedures, we will request you to provide written confirmation concerning representations which we have received from you during the course of the engagement on matters having a material effect.

Reporting and distribution

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 will agree that a copy of the report once issued may be provided to the Director of Social Welfare without further comment from us.

(To be continued with page 3)

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Fees

Our fees are computed on the basis of the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved plus out-of-pocket expenses. Fees will be due and payable on presentation.

Agreement of terms

Once it has been agreed, this letter will remain effective, from one appointment to another, until it is replaced. Please sign and return the enclosed copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our report on the income and expenditure account including our respective responsibilities.

Yours faithfully,



NG, SUEN, LAU C.P.A. LIMITED
Certified Public Accountants (Practising)

We agree to the terms of this letter.



The director, for and on behalf of
HONG KONG CIVIC EDUCATION FOUNDATION LIMITED
- GENERAL CHARITABLE FUND-RAISING ACTIVITY

Date: May 4, 2018

HONG KONG CIVIC EDUCATION FOUNDATION LIMITED

**REPORT ON THE INCOME AND EXPENDITURE ACCOUNT
IN RESPECT OF GENERAL CHARITABLE FUND-RAISING ACTIVITY
(DONATION BOX 2018: PUBLIC SUBSCRIPTION PERMIT NO. 2018/112/1)**

HELD ON APRIL 27, 2018

HONG KONG CIVIC EDUCATION FOUNDATION LIMITED

REPORT ON THE INCOME AND EXPENDITURE ACCOUNT
IN RESPECT OF GENERAL CHARITABLE FUND-RAISING ACTIVITY
(DONATION BOX 2018: PUBLIC SUBSCRIPTION PERMIT NO. 2018/112/1)

HELD ON APRIL 27, 2018

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INDEPENDENT ASSURANCE REPORT

To the Board of Directors of
HONG KONG CIVIC EDUCATION FOUNDATION LIMITED (“the Permittee”)
(Incorporated in Hong Kong with liabilities limited by guarantee)

Public Subscription Permit No: 2018/112/1

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 general fund-raising activity held on April 27, 2018 (“the Event”).

Responsibilities of the directors

The 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, *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 ASSURANCE REPORT - CONTINUED

To the Board of Directors of
HONG KONG CIVIC EDUCATION FOUNDATION LIMITED (“the Permittee”)
(Incorporated in Hong Kong with liabilities limited by guarantee)

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 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

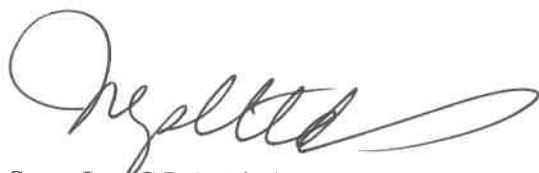
Due to the nature of cash receipts and expenses relating to the Event, it was not practicable for us to determine whether the income and expenditure account and the books and records of the Permittee include all transactions relating to the Event. It was impracticable for us to quantify the potential 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.



Ng, Suen, Lau C.P.A. Limited
Certified Public Accountants (Practising)

Hong Kong, **19 JUN 2018**

Ng Sau Wa, Sylvia
Practising Certificate Number: P01895

HONG KONG CIVIC EDUCATION FOUNDATION LIMITED
INCOME AND EXPENDITURE ACCOUNT IN RESPECT OF GENERAL CHARITABLE
FUND-RAISING ACTIVITY
(DONATION BOX 2018: PUBLIC SUBSCRIPTION PERMIT NO. 2018/112/1)

HELD ON APRIL 27, 2018

(Expressed in the nearest Hong Kong Dollars)

INCOME

Donation	<u>9,240</u>
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EXPENDITURE

Auditors' remuneration	<u>1,200</u>
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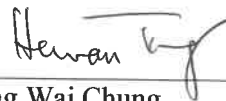
SURPLUS	<u><u>8,040</u></u>
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The accompanying notes form an integral part of the account.

The income and expenditure account together with the notes on page 4 have been approved and authorised for issue by the Board of Directors and are signed on its behalf by:



Chu Yiu Ming
Director



Tang Wai Chung
Director

HONG KONG CIVIC EDUCATION FOUNDATION LIMITED
NOTES TO THE INCOME AND EXPENDITURE ACCOUNT IN RESPECT OF GENERAL
CHARITABLE FUND-RAISING ACTIVITY
(DONATION BOX 2018: PUBLIC SUBSCRIPTION PERMIT NO. 2018/112/1)

HELD ON APRIL 27, 2018

(Expressed in the nearest Hong Kong Dollars)

1. GENERAL

Hong Kong Civic Education Foundation Limited (“the Permittee”) has applied public subscription permit from Social Welfare Department for setting up donation boxes. The purpose of this fund-raising activity is to raise funds for the Permittee’s operation. This report is made solely in relation to the general charitable fund-raising activity held by the Permittee and does not relate to any other part of the operations of the Permittee.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

a. Basis of accounting

The income and expenditure account has been prepared under the historical cost convention.

b. Revenue recognition

Donation is recognised as income upon receipt.

Donation collected through donation boxes in stationed counter under the Public Subscription Permit.

3. TAXATION

The Event is exempted from Hong Kong Profits Tax as Hong Kong Civic Education Foundation Limited is registered as a charitable organisation under Section 88 of the Inland Revenue Ordinance.

4. APPROVAL OF THE ACCOUNT

The account has been approved and authorised for issue by the Board of Directors
on **19 JUN 2018**