

PETER CHU & CO. certified public accountants

Youth Outreach
Flag day fund raising event
held on 27 August 2016

Income and Expenditure Statement

PETER CHU & CO. certified public accountants

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Independent practitioner's assurance report to the Executive Committee of Youth Outreach ("the Permittee") on the flag day fund raising event held on 27 August 2016

Public Subscription Permit No: FD/T010/2016

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 statement of the Permittee's territory-wide flag day fund-raising activity held on 27 August 2016 ("the Event").

Responsibilities of the Executive Committee members

The Executive Committee members are responsible for preparing the attached income and expenditure statement 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 statement 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 statement, 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.

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 statement 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 statement. Accordingly, our report relates solely to the income and expenditure statement 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 statement 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 1.

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, 24 October 2016

Flag day fund raising event held on 27 August 2016
Income and expenditure statement
(Expressed in Hong Kong Dollars)

| | <i>Note</i> | <i>HK\$</i> | <i>HK\$</i> |
|--|-------------|-------------|-------------------------|
| Income | | | |
| Donation income | 3 | | 1,056,883 |
| Expenditure | | | |
| Money collection bags & flag stickers production | | 19,300 | |
| Publicity | | 825 | |
| Postage, printing & stationery | | 8,461 | |
| Audit fee | | 4,600 | |
| Delivery & transportation | | 5,295 | |
| Sundries | | 1,110 | |
| | | | <u>39,591</u> |
| Surplus for the event | | | <u><u>1,017,292</u></u> |

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

The income and expenditure statement on pages 3 and 4 was approved by the Executive Committee by circulation on 24 October 2016.


Ms Au King Chi
President


Dr Newbery Peter John
Executive Director

Flag day fund raising event held on 27 August 2016
Notes to the income and expenditure statement

1. Basis of preparation

- (a) The purpose of the flag day fund-raising is to raise funds for providing service to youth at risk, including assistance and counselling services to young night drifters and job opportunity.
- (b) This income and expenditure statement has been prepared in accordance with accruals basis of accounting.

2. Significant accounting policies

The significant accounting policies are set out below:

(a) Revenue recognition

Provided it is probable that the economic benefits will flow to the entity and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in the income and expenditure statement as follows:

Donation income

Donation income is recognised when the amount is actually received.

(b) Expenses

Expenses are charged to the income and expenditure statement on an accrual basis.

3. Donation income

Donation income was received through the following means:

| | <i>HK\$</i> |
|-----------------------------|-------------------------|
| Direct donations | 595,608 |
| Flag day street collections | <u>461,275</u> |
| | <u><u>1,056,883</u></u> |