

THE BOYS' BRIGADE, HONG KONG
香港基督少年軍

**INCOME AND EXPENDITURE ACCOUNT
OF FLAG DAY (PUBLIC SUBSCRIPTION PERMIT NO. FD/T026/2020)
HELD ON 30 DECEMBER 2020 BUT CANCELLED
DUE TO THE COVID-19 PANDEMIC
AND OTHER FUND-RAISING ACTIVITIES
IN CONNECTION WITH THE FLAG DAY
FOR THE PERIOD FROM 1 NOVEMBER 2020 TO 3 FEBRUARY 2021**



**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO
THE EXECUTIVE COMMITTEE MEMBERS OF
THE BOYS' BRIGADE, HONG KONG ("THE PERMITTEE")
RE: PUBLIC SUBSCRIPTION PERMIT NO.: FD/T026/2020**

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 30 December 2020 but cancelled due to the COVID-19 pandemic and other fund-raising activities in connection with the flag day for the period from 1 November 2020 to 3 February 2021 ("the Event").

Responsibilities of the Executive Committee Members

The Executive 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.

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.

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Practitioner's responsibilities (continued)

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 review 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.

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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 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.


Roger Kam & Co.
Certified Public Accountants (Practising)

Hong Kong, 17 March 2021

THE BOYS' BRIGADE, HONG KONG

INCOME AND EXPENDITURE ACCOUNT OF FLAG DAY HELD ON 30 DECEMBER 2020 BUT CANCELLED DUE TO THE COVID-19 PANDEMIC (PUBLIC SUBSCRIPTION PERMIT NO. FD/T026/2020) AND OTHER FUND-RAISING ACTIVITIES IN CONNECTION WITH THE FLAG DAY FOR THE PERIOD FROM 1 NOVEMBER 2020 TO 3 FEBRUARY 2021

HK\$

Income

Sales of flags	-
Other donations	817,746.33
	<u>817,746.33</u>

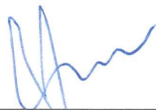
Expenditure

Administrative charges	30,100.00
Bank charge	5,728.65
Donation flags	8,900.00
Insurance	2,000.00
Printing and stationery	241.55
Promotions and souvenirs	20,799.96
Postage	11,975.40
Travelling and transportation	1,660.00
	<u>81,405.56</u>

Surplus

736,340.77

Approved and authorised for issue by the Executive Committee on 17 March 2021



NG Suk Ling
General Secretary



FONG Wai Kin, Alex
Treasurer

THE BOYS' BRIGADE, HONG KONG

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1 GENERAL

The purpose of the Flag Day is to raise funds for uniformed group service and administrative support of The Boys' Brigade, Hong Kong.

The Flag Day was originally held on 30 December 2020 but cancelled due to the COVID-19 pandemic. The other fund-raising activities in connection with the Flag Day were held from 1 November 2020 to 3 February 2021.

2 BASIS OF PREPARATION OF INCOME AND EXPENDITURE ACCOUNT

The significant accounting policy is set out below:

The income collected and expenditure incurred for this event held on 1 November 2020 to 3 February 2021 are recognised on an accrual basis.

3 DONATIONS CREDITED TO THE BANK

All the flag day proceeds collected (i.e. HK\$817,746.33) 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 3 February 2021.

	HK\$
Excess of income over expenditure	736,340.77
Add: Accrued expenditure not yet paid as at 3 February 2021	<u>81,405.56</u>
Net balance of donations deposited into Permittee's bank account by 3 February 2021	<u><u>817,746.33</u></u>