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INDEPENDENT ASSURANCE REPORT

ON

FLAG DAY FUND RAISING EVENT HELD ON 30 MAY 2015

Region of Flag Sale: Kowloon

Public Subscription Permit No. : FD/R025/2015

TO THE DIRECTORS OF INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL – HONG KONG DISTRICT LIMITED

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 International Church Of The Foursquare Gospel – Hong Kong District Limited (“the Permittee”) for the flag day fund raising event held on 30 May 2015 in Kowloon (“the Event”).

Respective Responsibilities of the Directors and Us

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.

It is our responsibility to form a conclusion on the attached income and expenditure account, based on our engagement, and to report our conclusion to you.

Basis of Conclusion

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and the 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.

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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INDEPENDENT ASSURANCE REPORT (Continued)

Basis of Conclusion (Continued)

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.

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.

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.

Use of the report

This report is intended solely for the purpose of assisting the Permittee to satisfy the conditions stated in the Public Subscription Permit issued by the Social Welfare Department 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.


Y. H. Cheung & Company
Certified Public Accountants
Hong Kong
4 August 2015

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL –
HONG KONG DISTRICT LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE FLAG DAY FUND RAISING EVENT HELD ON 30 MAY 2015

Region of Flag Sale: Kowloon

Public Subscription Permit No.: FD/R025/2015

HK\$

Income

Flag day street donations	353,967.60
Other donations related to flag day fund raising	409,725.10
	<u>763,692.70</u>

Expenditure

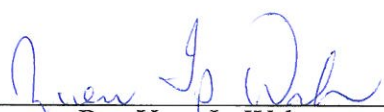
Advertising	5,000.00
Donation bags	23,700.00
Flags and labels	8,850.00
Insurance	2,140.00
Postage	1,745.80
Printing and stationery	3,830.60
Souvenirs and certificates to volunteers	5,465.00
Transportation and traveling	10,986.80
Sundry expenses	6,156.30
	<u>67,874.50</u>

Net Income	<u><u>695,818.20</u></u>
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Notes:

1. The Flag Day net income will be used to subsidise renovation costs, improvement of facilities and purchases of furniture and equipment for the upgrade of the Permittee's two elderly centres to neighbourhood elderly centres.
2. The income and expenditure account has been prepared in accordance with cash basis of accounting.

Approved by the Board of Directors on 4 August 2015.


Rev Yuen Ip Wah
President


Kwan Kwok Wah
Director