

Y. H. CHEUNG & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ASSURANCE REPORT

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

Public Subscription Permit No. FD/R010/2016

Pursuant to the conditions stated in the Public Subscription Permit no. FD/R010/2016 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 18 March 2017 in Hong Kong Island Region (“the Event”).

Responsibility of the District Executive Council Members (“Councillors”)

The Councillors are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in note 2 on the account, setting out the gross income raised from the Event and the expenditure incurred in connection with the Event, and 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 income raised and expenses incurred in connection with the Event and is free from material misstatement.

Auditors’ 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.

We apply “Hong Kong Standard on Quality Control 1” to maintain 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’ Responsibility

It is our responsibility to form a conclusion on the attached income and expenditure account, based on our engagement which is a limited assurance engagement as stated below, and to report our conclusion to you.

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INDEPENDENT ASSURANCE REPORT (Continued)

Auditors' Responsibility ("Continued")

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 HKICPA. We have planned and performed our work to obtain limited assurance for giving our conclusion below.

The work undertaken in connection with this limited assurance 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 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 income raised and the expenditure 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 on the account.

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INDEPENDENT ASSURANCE REPORT (Continued)

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
13 June 2017

INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL –
HONG KONG DISTRICT LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE FLAG DAY FUND RAISING EVENT HELD ON 18 MARCH 2017

Region of flag sale : Hong Kong Island Region
Public Subscription Permit No. FD/R010/2016

HK\$

Income

Flag day street donations	261,017.10
Other donations related to flag day fund raising event	387,070.20
	<u>648,087.30</u>

Expenditure

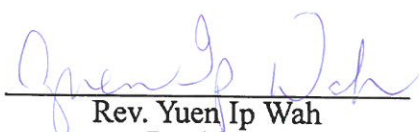
Advertising	5,500.00
Donation bags	18,500.00
Insurance	2,140.00
Postage	1,961.60
Printing and stationery	4,701.40
Souvenirs, certificates and prizes for volunteers	13,200.00
Sundry expenses	1,450.80
Transportation	13,035.00
	<u>60,488.80</u>

Net income 587,598.50

Notes

1. The flag day net income will be used to subsidise renovation costs and improvement of facilities and purchases of furniture and equipment for the upgrade of the two elderly centres of the Permittee, and to finance community care and support services for the elderly.
2. The income and expenditure account has been prepared on cash receipt and payment basis.

Approved by the District Executive Council on 13 June 2017.


Rev. Yuen Ip Wah
President


Kwan Kwok Wah
Director