

香港航空青年團
HONG KONG AIR CADET CORPS
INDEPENDENT ASSURANCE REPORT
FOR FLAG DAY APPEAL ON
6TH SEPTEMBER 2014

R E P O R T A N D A C C O U N T

謝煜權會計師事務所有限公司
Raymond Y. K. Tse & Co. CPA Limited
Certified Public Accountants (Practising)
HONG KONG

INDEPENDENT ASSURANCE REPORT
TO THE EXECUTIVES OF HONG KONG AIR CADET CORPS ("the Corps")

PUBLIC SUBSCRIPTION PERMIT NO. FD/R004/2014

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 Corps' regional flag day fund-raising activities in Hong Kong Island held on 6th September 2014 ("the Event").

Respective responsibilities of the Executives and Practitioner

The Executives are responsible for preparing the attached income and expenditure account 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 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 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.

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.

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 Corps 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 Corps' books and records.

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INDEPENDENT ASSURANCE REPORT
TO THE EXECUTIVES OF HONG KONG AIR CADET CORPS (“the Corps”)

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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 Corps 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.

Use of report

This report is intended solely for the purpose of assisting the Corps 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.



Raymond Y. K. Tse & Co. CPA Limited
Certified Public Accountants (Practising)

Tse Wing Sing, Victor
Practising Certificate Number : P03617

Dated this Hong Kong : 17th day of November 2014

HONG KONG AIR CADET CORPS
 INCOME AND EXPENDITURE ACCOUNT
 FOR FLAG DAY APPEAL HELD ON 6TH SEPTEMBER 2014
 IN HONG KONG ISLAND REGION
 PUBLIC SUBSCRIPTION PERMIT NO. FD / R004 / 2014

	HK\$	HK\$
Income		
Appeal letters	56,975.00	
Flag day collection	<u>345,686.80</u>	402,661.80
 Less : Expenditure		
Audit fee	2,600.00	
Cleaning and repair fees of flag bags	3,232.20	
Certificates and souvenirs for helpers	4,945.35	
Insurance	2,200.00	
Printing and stationery	7,403.90	
Postage	1,205.70	
Sundry expenses	5,250.00	
Transportation charges	<u>11,138.36</u>	<u>37,975.51</u>
 Surplus		<u><u>364,686.29</u></u>

Approved by the Board of Executives on 17th day of November 2014
 On behalf of the Board



Chairman
 Mr. Peter Cham Chiu CHAU
 BBS MBE QPM CPM FIMGT



Honorary Treasurer
 Mr. Edwin Wing Chu LAU
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HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 1 Basis of preparation and accounting policies

The income and expenditure account has been prepared in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Review of Historical Financial Information" and with reference to the 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 Accounts ("HKICPA") and the requirement of the Social Welfare Department of the Government of the Hong Kong Special Administrative Region (SWD). It has been prepared under the accruals basis of accounting.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Income

Income is recognised when it is probable that the economic benefits will flow to the Corps and when the income can be measured reliably, on the following basis:

Flag day fund-raising income is recognised when the cash and cheque are received from the donor.

Note 2 General information and the purpose of the Event

The Social Welfare Department has issued a Public Subscription Permit No. FD/R004/2014 on 6th December 2013 to the Corps to conduct flag day fund-raising activities on 6th September 2014 on Hong Kong Island Region in accordance with Section 4(17)(i) of the Summary Offences Ordinance (Cap.228).

The total flag day fund-raising income in the amount of HK\$402,661.80 were deposited to the Corps' bank account. The purpose of this flag day fund-raising activities was used for implementing of programmes and sustaining activities to be conducted in the year of 2014/2015.