

GRATIA FOUNDATION LIMITED  
華恩基金會有限公司

INCOME AND EXPENDITURE ACCOUNT  
OF  
FLAG DAY EVENT

PUBLIC SUBSCRIPTION PERMIT NO. FD/T005/2020

HELD ON 30 MAY 2020

# VINCENT W. M. LAI & CO.

*Certified Public Accountants*

Room 1104-5, 11/F., Haleson Building,  
1 Jubilee Street, Central, Hong Kong.  
Tel:(852) 2815 8102 Fax:(852) 2544 1381

黎偉民會計師事務所  
香港中環租庇利街一號  
喜訊大廈十一字樓一〇四至五室  
電話：二八五一四一八〇  
真話：二五八四一四一八〇

**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT  
TO THE DIRECTORS OF  
GRATIA FOUNDATION LIMITED ("THE PERMITTEE")  
PUBLIC SUBSCRIPTION PERMIT NO.: FD/T005/2020**

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 May 2020 ("the Event")

### **Responsibilities of the Directors**

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 include 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 behaviour.

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.

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 inquires 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.

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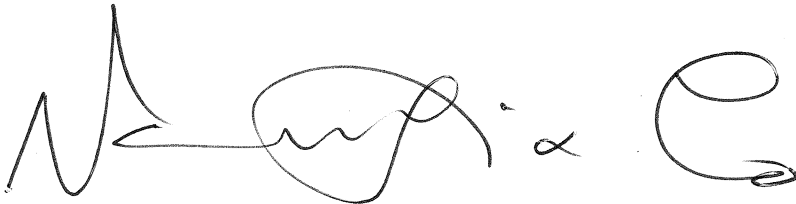
**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT (Cont'd)**  
**TO THE DIRECTORS OF**  
**GRATIA FOUNDATION LIMITED ("THE PERMITTEE")**  
**PUBLIC SUBSCRIPTION PERMIT NO.: FD/T005/2020**

**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.

**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 the 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 with further comment from us




**VINCENT W. M. LAI & CO.**  
Certified Public Accountants  
Hong Kong,  
7 September 2020

GRATIA FOUNDATION LIMITED  
FLAG DAY EVENT  
PUBLIC SUBSCRIPTION PERMIT NO. FD/T005/2020  
HELD ON 30 MAY 2020  
INCOME AND EXPENDITURE ACCOUNT

	Note	HK\$
INCOME		
Street collections	1	-
Other forms of appeals		<u>1,116,981</u>
Total income		<u><u>1,116,981</u></u>
Less:		
EXPENDITURE		
Auditors remuneration		-
Bank charges		932
Collection bags and flags		40,640
Postage		1,081
Printing and stationery		900
Promotions		<u>1,010</u>
Total expenditures		<u><u>44,563</u></u>
Excess of income over expenditure		<u><u>1,072,418</u></u>

Approved and authorised for issue by the Board of Directors on 7 September 2020



Lau Hak Wah  
Director



Sin Yat Sun  
Director

GRATIA FOUNDATION LIMITED  
FLAG DAY EVENT  
PUBLIC SUBSCRIPTION PERMIT NO: FD/T005/2020  
HELD ON 30 MAY 2020  
NOTES TO INCOME AND EXPENDITURE ACCOUNT

1. GENERAL

The purposes of the Flag Day fund-raising are for China Children Village Project and Education Scheme Service.

As the street collection was cancelled on 30 May 2020, no receipt was generated therefrom.

2. BASIS OF PREPARATION

The significant accounting policies are set out below:

The income collected and expenditure incurred for this event held on 30 May 2020 are recognised on an accrual basis.

3. DONATIONS CREDITED TO THE BANK

All the Flag Day proceeds collected (i.e. HK\$1,116,981) 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 22 July 2020.