GRATIA FOUNDATION LIMITED
華恩基金會有限公司

NEW TERRITORIES REGION FLAG DAY EVENT
PUBLIC SUBSCRIPTION PERMIT NO. FD/R059/2025

HELD ON 6 DECEMBER 2025

INCOME AND EXPENDITURE ACCOUNT

黎偉民會計師事務所

VINCENT W. M. LAI & CO.

Certified Public Accountants
Hong Kong

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT
TO THE DIRECTORS OF
GRATIA FOUNDATION LIMITED ("THE PERMITTEE")
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY BY GUARANTEE)

PUBLIC SUBSCRIPTION PERMIT NO.: FD/R059/2025

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 regional flag day fund-raising activity in New Territories region held on 6 December 2025 ("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 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 Management 1, which requires the firm to design, implement and operate a system of quality management including 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. This report is made solely to you, as a body and for no other purpose. We do not assume responsibilities towards or accept liability to any other person for the contents of this report.

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, General Charitable Fund-raising Activities and Solicitation of Signed Authorisation Forms 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.

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT (Cont'd)
TO THE DIRECTORS OF
GRATIA FOUNDATION LIMITED ("THE PERMITTEE")
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY BY GUARANTEE)

Practitioner's Responsibilities (cont'd)

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.

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.

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 without further comment from us.

VINCENT W. M. LAI & CO.
Certified Public Accountants
Room 1104-5, 11/F., Haleson Building,
1 Jubilee Street, Central, Hong Kong,
26 February 2026

GRATIA FOUNDATION LIMITED
INCOME AND EXPENDITURE ACCOUNT FOR
NEW TERRITORIES REGION FLAG DAY EVENT
HELD ON 6 DECEMBER 2025

	HK$
INCOME	
Flag day street collections	181,465
Other forms of appeals	305,454
Total income	486,919
Less:	
EXPENDITURE	
Auditors remuneration	-
Bank charges	541
Collection belts, flags and golden flags	7,068
Insurance	1,381
Printing	589
Transportation	1,989
Total expenditures	11,568
Excess of income over expenditure	475,351

Approved on 26 February 2026

Yuen Chung Fai
Director

Yuen Lok Tien
Director

GRATIA FOUNDATION LIMITED
NOTES TO INCOME AND EXPENDITURE ACCOUNT
NEW TERRITORIES REGION FLAG DAY EVENT
HELD ON 6 DECEMBER 2025

1. GENERAL

The purposes of the flag day fund-raising event are: -

i)	Fujian Children Home Project:	providing homes of love for the underprivileged children from extremely poor families in Fujian to make a change in their lives;
ii)	Education Scheme Service:	providing financial assistance for the extremely poor students in China to continue their secondary school and university education; and
iii)	Bangladesh Project:	providing homes for the underprivileged and street children in Bangladesh and support their living. Launching poverty relief work in Bangladesh to support the needy.

2. BASIS OF PREPARATION

The significant accounting policy is set out below:

The income and expenditure account have been prepared in accordance with accrual basis of accounting.

3. DONATIONS CREDITED TO THE BANK

All the flag day proceeds raised by street collections and by other forms of appeals in connection with the flag day (i.e. HK$486,919) 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 13 January 2026.