

Independent Assurance Report

YAN OI TONG LIMITED

Flag Day held on 10th October, 2020
(Public Subscription Permit No. FD/R016/2020)

NortiK Partners
諾迪會計師事務所

YAN OI TONG LIMITED

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INDEPENDENT ASSURANCE REPORT

To the Board of Directors of
YAN OI TONG LIMITED ("the Charity")
(incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Public Subscription Permit No: FD/R016/2020

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 Charity's regional flag day fund-raising activity in the New Territories Region held on 10th October, 2020 ("the Event").

Responsibilities of the Charity

The directors of the Charity 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.

Our 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.

Auditor'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.

INDEPENDENT ASSURANCE REPORT ("Continued")

To the Board of Directors of
YAN OI TONG LIMITED ("the Charity")
(incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Public Subscription Permit No: FD/R016/2020

Auditor's Responsibilities ("Continued")

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 Charity includes 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 Charity's books and records.

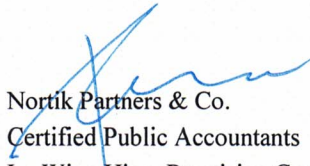
Conclusion

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 Charity 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 Charity 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.


Nortik Partners & Co.
Certified Public Accountants
Lo Wing Hing, Practising Certificate Number: P07003
Hong Kong **5 JAN 2021**

YAN OI TONG LIMITED

INCOME AND EXPENDITURE ACCOUNT

Flag Day held on 10th October, 2020
(Public Subscription Permit No. FD/R016/2020)

	HK\$
INCOME	
Street collections	337,684
Other forms of appeals	495,399
	<u>833,083</u>
Less:	
EXPENDITURE	
Auditor's remuneration	4,800
Bank charges	305
Donation bags	2,124
Flag day stickers	23,168
Insurance	2,442
Miscellaneous	4,531
Postage	1,853
Printing and stationery	15,810
Travelling	5,741
Transportation	3,772
	<u>64,546</u>
EXCESS OF INCOME OVER EXPENDITURE	<u><u>768,537</u></u>

The income and expenditure account and the notes thereto were approved and authorised for issue by the Board of Directors of Yan Oi Tong Limited on **5 JAN 2021** and are signed on its behalf by:



YEUNG SO MUI
Chairperson



CHAN SHING BONG
Vice-chairperson

YAN OI TONG LIMITED

NOTES TO INCOME AND EXPENDITURE ACCOUNT

Flag Day held on 10th October, 2020
(Public Subscription Permit No. FD/R016/2020)

1. GENERAL

Yan Oi Tong Limited (the "Charity") was incorporated in Hong Kong as a company limited by guarantee and not having a share capital. The principal activities of the Charity are the provision of charitable services including education, nursery, recreation and sports, medical and social services.

The purposes of the Charity's flag day fund-raising event (the "Event") are to raise funds for:

- (i) one District Community Centre for the Elderly and four Neighbourhood Elderly Centres; and
- (ii) four Community Support Centres for the underprivileged (Yuen Long and Wong Tai Sin) and two self-financing Centres for the Elderly.

The Event was held on 10th October, 2020 from 7:00 a.m. to 12:30 p.m. within the area of the New Territories Region only.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The income and expenditure account has been prepared using the accrual basis.

3. DONATIONS CREDITED TO THE BANK

All the flag day proceeds collected HK\$833,083 have been credited to the designated bank account of the Charity before being used for the payment of expenditures for the flag day and the purposes specified in the permit by 6th December, 2020.

4. INCOME TAX

As the Charity is registered as a charitable organisation under section 88 of the Inland Revenue Ordinance, the surplus of the Event is exempted from Hong Kong Profits Tax.