

THE METHODIST CHURCH, HONG KONG
THE METHODIST EPWORTH VILLAGE COMMUNITY CENTRE SOCIAL WELFARE,
FLAG DAY
(PUBLIC SUBSCRIPTION PERMIT NO.: FD/R045/2019)

STATEMENT OF ACCOUNTS

for

FLAG DATE: 18 MAY 2019

麥永建、何麗賢會計師行有限公司
W. K. MAK & STELLA HO CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

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**W. K. MAK & STELLA HO
CPA LIMITED**

Certified Public Accountants

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**INDEPENDENT ASSURANCE REPORT
TO THE COMMITTEE MEMBERS OF
THE METHODIST CHURCH, HONG KONG
THE METHODIST EPWORTH VILLAGE COMMUNITY CENTRE SOCIAL WELFARE, FLAG DAY
(THE "PERMITTEE")
FLAG DATE : 18 May 2019**

PUBLIC SUBSCRIPTION PERMIT NO.: FD/R045/2019

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 Hong Kong Island region held on 18 May 2019 ("the Event").

Responsibilities of the Committee Members

The Committee Members 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 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.

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.

Directors:

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**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT
TO THE COMMITTEE MEMBERS OF
THE METHODIST CHURCH, HONG KONG
THE METHODIST EPWORTH VILLAGE COMMUNITY CENTRE SOCIAL WELFARE, FLAG DAY
(THE "PERMITTEE")
FLAG DATE : 18 May 2019**

PUBLIC SUBSCRIPTION PERMIT NO.: FD/R045/2019

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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.

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 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.

W. K. MAK & STELLA HO CPA LIMITED

Certified Public Accountants

Ho Lai Yin

Practising Certificate No.: P04353

**Hong Kong,
20 AUG 2019**

THE METHODIST CHURCH, HONG KONG
THE METHODIST EPWORTH VILLAGE COMMUNITY CENTRE SOCIAL WELFARE
FLAG DAY


STATEMENT OF INCOME AND EXPENDITURE

FLAG DAY : 18 MAY 2019

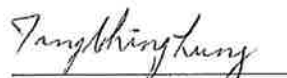
PUBLIC SUBSCRIPTION PERMIT NO.: FD/R045/2019

	<u>HK\$</u>
<u>INCOME</u>	
Flag Day Street Collections	500,019.95
Golden Flag Donations (Up to 15 July 2019)	202,318.00
	<u>702,337.95</u>
<u>EXPENDITURE</u>	
Audit Fee For Flag Day Event	5,000.00
Flag Bags	19,223.00
Flag-Bag Easy Service	3,600.00
Flag Labels	7,230.00
Insurance	2,201.32
Postage	3,145.00
Publicity Expenses	5,107.00
Salaries	11,781.00
Secure Transportation	6,490.00
Stationery & Printing	2,345.50
Sundry Expenses	3,192.50
Transportation	918.00
	<u>70,233.32</u>
Excess Of Income Over Expenditure	<u>632,104.63</u>

Approved and authorized for issue by the Committee Members on: 20 AUG 2019



Rev. Ho Wai Yee
Chairperson



Tang Ching Lung
Hon. Treasurer



Cheung Chu Mai Lee
General Secretary

THE METHODIST CHURCH, HONG KONG
THE METHODIST EPWORTH VILLAGE COMMUNITY CENTRE SOCIAL WELFARE
FLAG DAY

NOTES TO STATEMENT OF INCOME AND EXPENDITURE

FLAG DAY : 18 MAY 2019

PUBLIC SUBSCRIPTION PERMIT NO.: FD/R045/2019

1. General

The Methodist Church, Hong Kong - Methodist Epworth Village Community Centre, Social Welfare is a subsidiary of the Methodist Church, Hong Kong which was incorporated under The Methodist Church, Hong Kong Incorporation Ordinance. The registered office of this Centre is located at 100 Chai Wan Road, Chai Wan, H.K.

2. Significant accounting policies

i. Basis of preparation

This income and expenditure account has been prepared 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, and on an accruals basis.

ii. Revenue recognition

Donations are recognized on an accrual basis.

iii. Expenditure

Expenditures are accounted for on an accrual basis.

3. Donation credited to the bank

All the flag day proceeds collected HKD 702,337.95 have been credited to the designated bank account of the permittee before being used for payment of expenditures for the flag day and the purposes specified in the permit by 15 July 2019.

4. The purposes of the flag day fund-raising activity are for:

i. The Family Enhancement Centre;

ii. Additional support for deprived families; and

iii. Repair and maintenance fees for the Community Centre.

5. Taxation

No provision for Hong Kong profits tax has been provided as the Foundation is an approved charitable institution that is exempt from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance.