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**The Hong Kong AIDS Foundation Limited**

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*Assurance Report and Income and Expenditure Account  
Regional Flag Day - Hong Kong Island Region  
on 4th September 2021  
Public Subscription Permit No. FD/R041/2021*

*羅思雲羅君美會計師事務所有限公司  
Law & Partners CPA Limited  
CERTIFIED PUBLIC ACCOUNTANTS*

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**THE HONG KONG AIDS FOUNDATION LIMITED**  
**ASSURANCE REPORT AND INCOME AND EXPENDITURE ACCOUNT**  
**REGIONAL FLAG DAY – HONG KONG ISLAND REGION ON 4TH SEPTEMBER 2021**  
**PUBLIC SUBSCRIPTION PERMIT NO. FD/R041/2021**

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## INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

To the Executive Board of The Hong Kong AIDS Foundation Limited ("the Permittee")

### Public Subscription Permit No: FD/R041/2021

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 4th September 2021 ("the Event").

#### *Responsibilities of the Executive Board*

The Executive Board is 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.

#### *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, in accordance with the terms set out in the engagement letter dated 14th August 2020, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the 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 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.

*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.



**Law & Partners CPA Limited**  
Certified Public Accountants  
Hong Kong, 3rd January 2022

Elizabeth Law  
Practising Certificate Number P01024

**THE HONG KONG AIDS FOUNDATION LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**

**REGIONAL FLAG DAY – HONG KONG ISLAND REGION ON 4TH SEPTEMBER 2021**

**PUBLIC SUBSCRIPTION PERMIT NO. FD/R041/2021**

HK\$

**Income**

|                        |  |                  |
|------------------------|--|------------------|
| Street collections     |  | 38,703.75        |
| Other forms of appeals |  | <u>35,000.00</u> |
| <b>Total income</b>    |  | <b>73,703.75</b> |

**Expenditure**

|                          |                 |                        |
|--------------------------|-----------------|------------------------|
| Money collection bags    | 2,173.46        |                        |
| Flag day stickers        | 2,658.00        |                        |
| Insurance                | 538.54          |                        |
| Auditors remuneration    | <u>2,000.00</u> |                        |
| <b>Total expenditure</b> |                 | <b><u>7,370.00</u></b> |

**Excess of income over expenditure** **66,333.75**

Approved and authorised for issue by the Executive Board on 3rd January 2022



Leong Che Hung Edward  
Chairman



Lee Kit Wah  
Vice-chairman (Finance)

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, this income and expenditure account.

**THE HONG KONG AIDS FOUNDATION LIMITED**

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT**

**REGIONAL FLAG DAY –HONG KONG ISLAND REGION ON 4TH SEPTEMBER 2021**

**PUBLIC SUBSCRIPTION PERMIT NO. FD/R041/2021**

**1. General**

The purpose of the flag day fund-raising activity held by Hong Kong AIDS Foundation Limited (“the Permittee”) on 4th September 2021 (“the Event”) is to raise funds for:

- a) HIV preventive education and campaigns for general public;
- b) mobile testing service and sexual health education for youth; and
- c) recruitment and training of volunteers and their deployment.

**2. Basis of preparation**

The significant accounting policies are set out below:

The income collected and expenditure incurred for the Event are recognised on an accrual basis.

**3. Donations credited to the banks**

All the flag day proceeds collected (i.e. HK\$73,703) have been credited to the designated bank accounts of the Permittee before being used for payment of expenditures for the flag day and/or the purposes specified in the permit by 17th December 2020.