

AGENCY FOR VOLUNTEER SERVICE

**ASSURANCE REPORT AND INCOME AND EXPENDITURE ACCOUNT
FOR THE FLAG DAY FUND RAISING EVENT
HELD ON 7 MARCH 2020**



眾環香港會計師事務所有限公司
UNION POWER HK CPA LIMITED

**Chartered Accountants
Certified Public Accountants**

捷安國際會計師聯盟成員
An independent member of AGN International

**AGENCY FOR VOLUNTEER SERVICE
ASSURANCE REPORT AND INCOME AND EXPENDITURE ACCOUNT
FOR THE FLAG DAY FUND RAISING EVENT
HELD ON 7 MARCH 2020**

CONTENTS

	Pages
Independent Assurance Report	1 - 2
Income and Expenditure Account	3
Notes to Income and Expenditure Account	4



眾環香港會計師事務所有限公司 UNION POWER HK CPA LIMITED

Chartered Accountants
Certified Public Accountants

香港灣仔告士打道50號馬來西亞大廈2字樓201室
Unit 201, 2/F., Malaysia Building, 50 Gloucester Road, Wanchai, Hong Kong.
Tel: (852) 2528 1768 (23 lines) Fax: (852) 2520 6180 E-mail: a@upicpa-hk.com

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF AGENCY FOR VOLUNTEER SERVICE ("the Permittee")

Public Subscription Permit No.: FD/T011/2019

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 (the "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 7 March 2020 (the "Event").

Respective 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 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of our 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.



眾環香港會計師事務所有限公司 UNION POWER HK CPA LIMITED

Chartered Accountants
Certified Public Accountants

香港灣仔告士打道50號馬來西亞大廈2字樓201室
Unit 201, 2/F., Malaysia Building, 50 Gloucester Road, Wanchai, Hong Kong.
Tel: (852) 2528 1768 (23 lines) Fax: (852) 2520 6180 E-mail: a@upicpa-hk.com

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF AGENCY FOR VOLUNTEER SERVICE ("the Permittee")

Practitioner'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, analytical procedures applied to financial data 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.

Union Power HK CPA Limited
Certified Public Accountants

David Tze Kin Ng
Practising Certificate Number: P00553


Hong Kong, - 2 JUN 2020

AGENCY FOR VOLUNTEER SERVICE
INCOME AND EXPENDITURE ACCOUNT
FOR THE FLAG DAY FUND RAISING EVENT
HELD ON 7 MARCH 2020


Public Subscription Permit No.: FD/T011/2019

	HK\$	HK\$
Income		
Flag day bags		-
Other donations		286,474.00
		<u>286,474.00</u>
Less: Expenditure		
Preparation & promotion fees	35,551.86	
Implement & operation fees	<u>2,296.80</u>	<u>37,848.66</u>
Surplus for the event		<u><u>248,625.34</u></u>

Approved and authorized by the Board of Directors to sign on behalf of the Board by



Shum Chi Wang
Chairman



Lam Tyng Yiu, Elizabeth
Honorary Treasurer

**AGENCY FOR VOLUNTEER SERVICE
NOTES TO INCOME AND EXPENDITURE ACCOUNT
FOR THE FLAG DAY FUND RAISING EVENT
HELD ON 7 MARCH 2020**

1. General information

The flag day fundraising event is organised by Agency for Volunteer Service for the purpose of enhancing service quality and to address the growing service demand, expanding and developing value added and quality volunteer programmes, and improving systems and operations for the promotion and development of sustainable volunteerism.

Due to the outbreak of COVID-19 and in line with the policies on social distancing and restrictions on group gathering, the outdoor flag-selling activity on 7 March 2020 (Saturday) was cancelled. The Agency resorted to promoting gold flag donations, mainly within own networks to raise funds. As a result, the territory-wide Flag Day was unable to meet the target amount. Notwithstanding the cancellation of the outdoor flag selling, certain expenditure for promotion and volunteer recruitment, e.g. the production and postage costs, had been incurred prior to the decision of cancellation. This explains the expenditure exceeding the limit of 10% of the gross receipts, reaching 13%.

2. Basis of preparation

This income and expenditure account has been prepared under the accrual basis of accounting.

3. The significant accounting policies are set out as below:

- (a) Donation income is recognised when the right to receive payment has been established.
- (b) Fund-raising expenses incurred for the event are accounted for on an accrual basis

4. Donations credited to the bank

All flag day proceeds collected were credited to a designated bank account before being used for payment of expenditures for the flag day and/or the purposes specified in the permit. Total proceeds of HK\$286,474 were deposited to the designated account by 29 April 2020.