YAN CHAI HOSPITAL

INCOME AND EXPENDITURE ACCOUNT

FUND RAISING EVENT OF CHARITY BI-WEEK
HELD IN VARIOUS LOCATIONS IN HONG KONG
FROM 10TH SEPTEMBER, 2016 TO 17TH DECEMBER, 2016
PUBLIC SUBSCRIPTION PERMIT NO. 2016/215/1, 2016/215/2, 2016/215/3 and 2016/215/4

INDEPENDENT ASSURANCE REPORT
TO THE BOARD OF DIRECTORS OF YAN CHAI HOSPITAL ("the Hospital")

Public Subscription Permit No: 2016/215/1 , 2016/215/2, 2016/215/3 and 2016/215/4
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 Hospital in relation to the fund-raising activities, namely "Charity Bi-Week", held in various districts in Hong Kong from 10th September, 2016 to 17th December, 2016.

Responsibilities of the Hospital
The Hospital 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 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.

We apply Hong Kong Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our 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 "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.

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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 Hospital 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 Hospital'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 Hospital 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 Hospital 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.

Law Yui Lun
Certified Public Accountant (Practising)
Room 502, 5/F., Prosperous Building,
48-52 Des Voeux Road Central,
Hong Kong, 28 FEB 2017

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HELD IN VARIOUS LOCATIONS IN HONG KONG
FROM 10TH SEPTEMBER, 2016 TO 17TH DECEMBER, 2016

(Expressed in Hong Kong dollars)

	Note	HK$
INCOME		
Donations received	2(a)	466,042.90
EXPENDITURE	2(b)	
Advertising expenses		11,238.68
Allowance for volunteers		21,973.41
Audit fee		2,200.00
Insurance		3,350.00
Miscellaneous		10,535.90
Printing and stationery		23,024.70
Postage		13,343.50
Production cost		31,485.00
Souvenirs		9,690.00
Travelling		19,624.35
T-Shirt		21,131.00
		167,596.54
EXCESS OF INCOME OVER EXPENDITURE		298,446.36

APPROVED BY THE BOARD OF DIRECTORS ON 28 FEB 2017

Tsui Yuk Shan
Director

Cheng Shing Fung
Director

YAN CHAI HOSPITAL
NOTES ON INCOME AND EXPENDITURE ACCOUNT

1. GENERAL INFORMATION

Yan Chai Hospital ('the Hospital') is a charitable institution engaged in providing medical and health care, education, social welfare and emergency assistance relief services in Hong Kong. The fund-raising events held in various locations of Hong Kong, namely Charity Bi-week, from 10th September, 2016 to 17th December, 2016 as approved by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region under Public Subscription Permit No. 2016/215/1, 2016/215/2, 2016/215/3 and 2016/215/4 ('the fund raising event') were for the purpose of raising funds for Yan Chai Social Services Fund of the Hospital.

The income and expenditure account is solely in relation to the above fund raising event and does not relate to any other part of the operation of Hospital.

2. BASIS OF PREPARATION

(a) Income recognition

The income represents cash funds raised from the public in respect of the proceed from donation received in the fund raising event and has been wholly banked into the bank account of the Hospital from October, 2016 to January, 2017.

(b) Operating expenses

Operating expenses are recognised on the accruals basis.

3. TAXATION

No provision for Hong Kong profits tax is necessary as the Hospital is exempted from all taxes payable under the Hong Kong Inland Revenue Ordinance.

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