

A Drop of Life Limited
點滴是生命有限公司
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

HONG KONG ISLAND REGION FLAG DAY FUND-RAISING ACTIVITY

HELD ON 30 JUNE 2018

PUBLIC SUBSCRIPTION PERMIT NO.: FD/R060/2018

**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT AND
INCOME AND EXPENDITURE ACCOUNT**



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**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON
HONG KONG ISLAND REGION FLAG DAY FUND-RAISING ACTIVITIES
HELD ON 30 JUNE 2018
PUBLIC SUBSCRIPTION PERMIT NO.: FD/R060/2018
TO THE BOARD OF DIRECTORS OF
A Drop of Life Limited ("the Permittee")
點滴是生命有限公司**

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 Hong Kong Island region flag day fund-raising activity held on 30 June 2018 ("the Event").

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

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Practitioner's Responsibilities (continued)

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.

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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.



K.W. Tam & Co.
Certified Public Accountants (Practising)
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370 Kwun Tong Road,
Kowloon, Hong Kong

17 September 2018

A Drop of Life Limited
點滴是生命有限公司

INCOME AND EXPENDITURE ACCOUNT
HONG KONG ISLAND REGION FLAG DAY ON 30 JUNE 2018
PUBLIC SUBSCRIPTION PERMIT NO.: FD/R060/2018

	HK\$	HK\$
<u>Income</u>		
Proceeds from the flag day	404,104	
Other donation income	<u>403,046</u>	
		807,150
<u>Expenditure</u>		
Advertising and notice fee	(4,735)	
Audit fee	(3,300)	
Courier and postage	(9,996)	
Design fee	(1,000)	
Electronic flag-selling service fee	(3,240)	
Flag bags	(22,440)	
Flag paper	(18,970)	
Insurance	(4,101)	
Local travelling	(169)	
Printing and stationary	(480)	
Repairing services for flag bags	(2,340)	
Transportation	<u>(1,865)</u>	
		<u>(72,636)</u>
Excess of income over expenditure		<u><u>734,514</u></u>

Approved and authorised for issue by the board of directors on 17 September 2018



Lee Choi Fun Jackie
Director



Au Siu Lai Irene
Director

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NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
HONG KONG ISLAND REGION FLAG DAY ON 30 JUNE 2018
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1. General information

The Hong Kong Island region flag day fund-raising activity was held on 30 June 2018 to raise funds for providing children welfare, as well as elderly, rehabilitation and youth services in Hong Kong; and rebuilding schools in Nepal and building water facilities in Cambodia or Nepal.

2. Basis of preparation

This income and expenditure account has been prepared in accordance with the accrual basis of accounting except that donations from the Hong Kong Island region flag day fund-raising activity are accounted for on cash basis.