

A Drop of Life
點滴是生命
(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

GENERAL CHARITABLE FUND-RAISING ACTIVITY
HELD DURING THE PERIOD FROM 18 NOVEMBER 2022 TO 20 NOVEMBER 2022
PUBLIC SUBSCRIPTION PERMIT NO.: 2022/104/1

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT AND
INCOME AND EXPENDITURE ACCOUNT



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**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT
TO THE BOARD OF DIRECTORS OF
A Drop of Life ("the Permittee")**

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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 general charitable fund-raising activity held during the period from 18 November 2022 to 20 November 2022 under Public Subscription Permit No. 2022/104/1 ("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 Management

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 Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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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 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 (Revised), Reporting on Flag days, General Charitable Fund-raising Activities and Solicitation of Signed Authorisation Forms 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.

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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.



K.W. Tam & Co.
Certified Public Accountants (Practising)
Unit 2002, 20th Floor,
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Kowloon, Hong Kong

9 February 2023

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INCOME AND EXPENDITURE ACCOUNT

| | HK\$ |
|-----------------------------|------------|
| Income | |
| Donations | 1,840 |
| | ----- |
| Expenditure | |
| Booth installation cost | (3,000) |
| Booth rental | (30,000) |
| Permit fee | (1,300) |
| Practitioner's remuneration | (1,200) |
| | ----- |
| | (35,500) |
| | ----- |
| Net deficit | (33,660) |
| | ===== |

Approved and authorised for issue by the board of directors on 9 February 2023.



Au Siu Lai Irene
Director



Lee Choi Fun Jackie
Director

The note on page 5 form part of this income and expenditure account.

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NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

1. General information

The fund-raising purposes of the general charitable fund-raising activity were to raise public awareness of toilet problem in Nepal, Cambodia and Myanmar and let them realise the urgent need of hygienic toilets to prevent the spread of disease especially in the period of pandemic.

2. Basis of preparation

The significant accounting policies are set out below:

- (a) The income collected and expenditure incurred for this event held during the period from 18 November 2022 to 20 November 2022 are recognised on an accrual basis.
- (b) Donation income is recognised after counting has been performed.

3. Donations credited to the bank

| | HK\$ |
|---|------------------|
| Gross donation income | 1,840 |
| Less: accrued expenditure not yet paid as at 21 November 2022 | (<u>1,200</u>) |
| Net balance deposited into Permittee's bank account on 21 November 2022 | <u>640</u> |