

WILLIAMS & COMPANY, C.P.A. S.D.  
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DENVER, COLORADO 80202



**UNITED HEARTS YOUTH FOUNDATION LIMITED**

**REPORT OF THE AUDITORS  
INCOME AND EXPENDITURE ACCOUNT  
FUND-RAISING ACTIVITIES  
ON 16 TH APRIL 2016**

Public Subscription Permit No. 2016/105/1

**K.S. LIU & COMPANY, C.P.A. LTD**  
**廖廣生會計師事務所有限公司**

Certified Public Accountants

Tsim Sha Tsui P.O. Box 90752, Tsim Sha Tsui, Kowloon, Hong Kong



**INDEPENDENT ASSURANCE REPORT TO THE COMMITTEE MEMBERS OF UNITED HEARTS YOUTH FOUNDATION LIMITED (“the Charity”) FUND RAISING ACTIVITIES ON 16TH APRIL 2016**

**Public Subscription Permit No.2016/105/1**

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 territory-wide flag day fund-raising activity held on 16th April 2016 (“the Event”).

**Responsibilities of the Committee Members**

The Committee Members are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in notes 1 and 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.

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.

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 notes 1 and 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 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.S. Liu & Company, CPA Ltd  
Certified Public Accountants

K.S. Liu & Company, CPA Ltd  
Certified Public Accountants  
(Messrs. K. S. Liu, Auditor (P01586))  
Hong Kong

Date: **21 JUN 2016**

Income and Expenditure Account for a  
General Charitable Fund-raising Activity covered by a  
Public Subscription Permit issued by the Social Welfare Department

United Hearts Youth Foundation Limited  
Note to the Income and Expenditure Account  
「愛與希望」街頭籌款 - 16th April 2016 13:00-19:00  
Public Subscription Permit No. : 2016/105/1

1. GENERAL

The Public Fund-Raising activity is an Event organised by United Hearts Youth Foundation Limited for the purpose of construction of school in Mainland China and funding the administration and operation of the Foundation.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The income and expenditure account has been prepared using the historical cost basis of accounting.

Income recognition

Income received from fund raising represents total cash received from the fund raising activity on 16th April 2016, which had been deposited into the bank account of the charity accordingly.

3. TAXATION

As United Hearts Youth Foundation Limited is registered as a charitable organisation under Section 88 of Inland Revenue Ordinance, the Event is exempted from taxation of Hong Kong.

4. DETAILS OF THE PUBLIC FUND-RAISING ACTIVITY

The income of the public fund-raising activity held on the respective date is as following

	HK\$
(1) Street collections	22,950
	=====

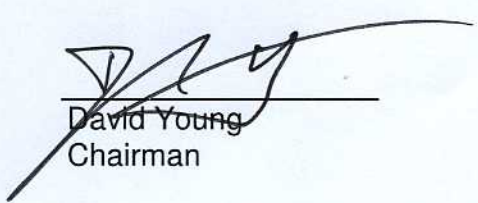
The public fund raising activity was held on 16th April 2016 under the conditions of the permit number 2016/105/1 issue by the Social Welfare Department of the Hong Kong SAR Government.

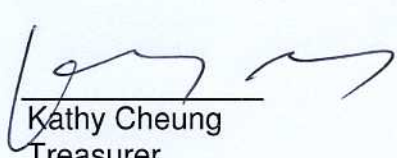
Income and Expenditure Account for a  
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Income and Expenditure Account  
「愛與希望」街頭籌款 - 16th April 2016 13:00-19:00  
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	Notes	HK\$
<b><u>Income</u></b>		
Street collections	4	22,950
<b><u>Expenditure</u></b>		
Insurance		1,090
Miscellaneous		87
Printing and stationery		60
Security fee		1,500
Transportation		947
		<hr/> 3,684
		<hr/>
Excess of income over expenditure		<hr/> 19,266
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Approved and authorised for issue by the Committee Members on

  
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David Young  
Chairman

  
\_\_\_\_\_  
Kathy Cheung  
Treasurer