

TUNG WAH GROUP OF HOSPITALS

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE  
BOARD OF DIRECTORS OF TUNG WAH GROUP OF HOSPITALS (THE "PERMITTEE")

PUBLIC SUBSCRIPTION PERMIT NO. FD/T014/2019



TUNG WAH GROUP OF HOSPITALS

PUBLIC SUBSCRIPTION PERMIT NO. FD/T014/2019

CONTENTS

	Pages
Independent Practitioner's Assurance Report	1 - 2
Income and Expenditure Account	3
Notes to the Income and Expenditure Account	4 - 5



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## **Independent Practitioner's Assurance Report**

**To the Board of Directors of Tung Wah Group of Hospitals (the "Permittee")**

### **Public Subscription Permit No: FD/T014/2019**

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 ("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 in Hong Kong held on 31 August 2019 (the "Event").

#### Respective responsibilities of the Board of Directors

The Board of Directors 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 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 Permittee 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 (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.

**Independent Practitioner's Assurance Report (continued)**

**To the Board of Directors of Tung Wah Group of Hospitals (the "Permittee")**

**Public Subscription Permit No: FD/T014/2019**

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 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.



Certified Public Accountants

Hong Kong

11 November 2019

TUNG WAH GROUP OF HOSPITALS  
INCOME AND EXPENDITURE ACCOUNT  
TERRITORY-WIDE FLAG DAY ON 31 AUGUST 2019

PUBLIC SUBSCRIPTION PERMIT NO. FD/T014/2019

	HK\$
<b><u>Income</u></b>	
Street collections	1,826,968
Other forms of appeals	<u>5,780,558</u>
	<u>7,607,526</u>
<b><u>Expenditure</u></b>	
Advertising	43,800
Auditors' remuneration	3,000
Printing and stationery	120,874
Postage	81,922
Travelling and Transportation	68,792
Miscellaneous	<u>38,202</u>
	<u>356,590</u>
<b>Excess of income over expenditure</b>	<u><u>7,250,936</u></u>

Approved and authorised for issue by the Board of Directors on 11 November 2019.



SU Yau On Albert  
Chief Executive



John MOK  
Financial Controller

TUNG WAH GROUP OF HOSPITALS  
 NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

PUBLIC SUBSCRIPTION PERMIT NO. FD/T014/2019

**Basic of preparation**

1. The net proceeds raised from the Flag Day Fund Raising Event are to be applied to finance social welfare services of the Group as below:

	HK\$
1. To run the self-financing centres in Shamshuipo, viz (i) Ling Sui Ying Service Centre located in Fu Cheong Estate and (ii) Hoi Lai Centre located in Hoi Lai Estate that target to serve the low income and disadvantaged groups in the district.	485,813
2. To fund the recurrent operation of the self-financing Wong Siu Ching Centre for the Elderly at Wah Fu Estate.	290,037
3. To subsidize the operation of the self-financing Lui Wing Cheung Service Centre at Butterfly Estate, Tuen Mun.	123,266
4. To fund the operation of a service centre at Chuk Yuen Estate, Wong Tai Sin that will provide parent education programs and supportive services for parents, supplemented with individual and family counselling.	123,266
5. To fund the operation of Sky Blue Club Men Development Centre at Lei Muk Shue Estate, Tsuen Wan that will provide education programs and supportive services for men and their families.	239,281
6. To finance the operation of Healthy Budgeting Family Debt Counselling Centre and Tung Wah Cares Hotline.	1,254,412
7. To finance the operation of Tin Sau Bazaar in Tin Shui Wai that was set up to create jobs for the disadvantaged and to meet the local demand for daily living commodities at low price.	957,124
8. To strengthen the support for social enterprises to create more job opportunities and work training for the disadvantaged and the disabled.	1,087,640
9. To provide counselling services and community education on alcoholic addiction.	601,828
10. To provide counselling and support to youth of low education, low employability and low motivation by engaging them in multi-media vocational trainings.	601,828
11. To promote healthy and active ageing and initiate new services for young old.	543,820
12. To strengthen school social work support for children and pre-school children.	543,820
13. To provide nutritious hot meals to the disadvantaged at a discounted rate.	398,801
Total :	<u>7,250,936</u>

TUNG WAH GROUP OF HOSPITALS  
NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

PUBLIC SUBSCRIPTION PERMIT NO. FD/T014/2019

**Basic of preparation (continued)**

2. This income and expenditure account has been prepared in accordance with accruals basis of accounting. All the flag day proceeds collected (i.e. HK\$7,607,526) have been credited to the designated bank account of the Permittee before being used for payment of expenditures for the flag day and/ or the purposes specified in the permit by 10 October 2019.

