

13

**WARMHEARTERS LIMITED**  
**(LIMITED BY GUARANTEE)**

**REPORT AND INCOME AND EXPENDITURE ACCOUNT**

**IN RESPECT OF THE GENERAL CHARITABLE FUND-RAISING ACTIVITY**

**HELD ON DECEMBER 1 & 8, 2013**

**(PUBLIC SUBSCRIPTION PERMIT NO. 2013/358/1)**





**INDEPENDENT ASSURANCE REPORT**

**TO THE COUNCIL OF**

**WARMHEATERS LIMITED**

**("the Permittee")**

**Public Subscription Permit No: 2013/358/1**

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 fund-raising activity held on December 1 & 8, 2014 ("the Event").

**Respective responsibilities of the council members and ourselves**

The Council members 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.

It is our responsibility to form a conclusion on the attached income and expenditure account, based on our engagement, and to report our conclusion to you.

**Basis of conclusion**

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the "Circular on Reporting on General Charitable Fund-raising Activities Covered by Public Subscription Permits issued by the Social Welfare Department" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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.

...../To be continued



**INDEPENDENT ASSURANCE REPORT**

**TO THE COUNCIL OF**

**WARMHEATERS LIMITED**

**("the Permittee")**

...../Continued

**Basis of conclusion (continued)**

Furthermore, due to the nature of cash receipts and expenses relating to the general charitable fund-raising activities, 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 prepared from transactions that have been recorded in the Permittee's books and records.

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 review procedures we considered necessary.

**Conclusion**

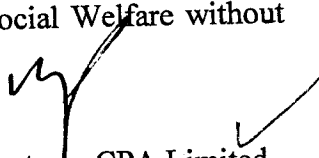
Based on the foregoing, we report that nothing has come to our attention that causes us to believe that the attached income and expenditure account does not reflect, in all material respects, the gross subscriptions raised and the expenses incurred by the Permittee in respect of the Event that have been recorded in its books and records made available to us in accordance with the basis of preparation set out in note 1.

**Use of report**

This report is intended solely for the purpose of assisting the Charity 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  
December 30, 2014

  
Philip Poon & Partners CPA Limited  
Mr. Chan Chung Wai  
Practising Certificate No.: P04027

**WARMHEATERS LIMITED**  
**(LIMITED BY GUARANTEE)**

**INCOME AND EXPENDITURE ACCOUNT**


**IN RESPECT OF THE GENERAL CHARITABLE FUND-RAISING ACTIVITY**

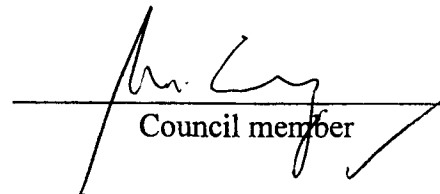
**HELD ON DECEMBER 1 & 8, 2013**

**(PUBLIC SUBSCRIPTION PERMIT NO. 2013/358/1)** ✓

	<u>HK\$</u>
<b>INCOME</b>	
Donations and charity sale	22,925.00
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<b>LESS: EXPENDITURE</b>	
Auditors' remuneration	1,000.00
Rental	1,650.00
Sundries	165.50
Transportation	1,350.00
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<b>Total Expense</b>	<b>4,165.50</b>
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<b>Net Surplus</b>	<b>18,759.50</b>
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Approved and authorised for issue by the Council on December 30, 2014

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Council member ✓

**WARMHEATERS LIMITED**  
**(LIMITED BY GUARANTEE)**

**INCOME AND EXPENDITURE ACCOUNT**

**IN RESPECT OF THE GENERAL CHARITABLE FUND-RAISING ACTIVITY**

**HELD ON DECEMBER 1 & 8, 2013**

**(PUBLIC SUBSCRIPTION PERMIT NO. 2013/358/1)**

**1. BASIS OF PREPARATION**

This income and expenditure account has been prepared under the accrual basis of accounting.

**2. SIGNIFICANT ACCOUNTING POLICIES**

Revenue recognition

Donation and charity sale are recognised as income upon receipts.

**3. PURPOSE OF FUND-RAISING ACTIVITIES**

The fund-raising activities are collection of donations and charity sale of schedulers, post card and T-shirts at Island East Markets, Tong Chong Street, Quarry Bay, Hong Kong. The events held on December 1 and 8, 2013 respectively. The funds raised are used for purchasing quilts to donate to the primary schools in Yunnan, China after deductions of relevant expenditure incurred during the events. ✓

**4. TAXATION**

The Event is exempted from Hong Kong Profits Tax as Warmhearters Limited is registered as a charitable organisation under Section 88 of the Inland Revenue Ordinance.