

**The Royal British Legion
(Hong Kong and China Branch)**

**Income and Expenditure Account
Regional Poppy Day Appeal – Hong Kong Island
held on 9 November 2019**

Now, for tomorrow



Independent Assurance Report to the General Committee of The Royal British Legion (Hong Kong and China Branch)

Public Subscription Permit No: FD/R077/2019

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 regional poppy day appeal fund-raising activity on Hong Kong Island held on 9 November 2019 (the "Event") of The Royal British Legion (Hong Kong and China Branch) (the "Permittee").

Responsibilities of the General Committee

The General Committee is responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out therein, 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, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the Hong Kong Institute of Certified Public Accountants 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 Hong Kong Institute of Certified Public Accountants. We have planned and performed our work to obtain limited assurance for giving our conclusion below.

**Independent Assurance Report to the General Committee
of The Royal British Legion
(Hong Kong and China Branch) (continued)**

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 the notes stated in the income and expenditure account.

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.



Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 15 January 2020

Tsang Yuen Yee, Janet

Practising certificate number P07125

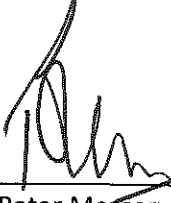
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	Note	HKD
Income		
Poppy sales	1	714,539
Donations	2	<u>74,760</u>
	3	<u>789,299</u>
Expenditure		
Advertisements	4	9,800
Coin bags (new & repair)		17,164
Delivery and local travelling		11,479
Insurance		2,842
Postage		380
Printing and stationery		2,000
Refreshments		2,300
Sundry expenses		8,074
Temporary helpers		<u>4,200</u>
		<u>58,239</u>
Excess of income over expenditure		<u>731,060</u>

- 1 Poppy sales are brought into account upon receipt of funds.
- 2 Donations represent cash and postal donations in response to the Poppy Day Appeal received by The Royal British Legion (Hong Kong and China Branch) from 22 December 2018 to 18 December 2019.
- 3 All the flag day proceeds collected (i.e. HKD789,299) have been credited to the designated bank account of the Permittee before being used for payment of expenditure for flag days and/or the purpose(s) specified in the permit by 18 December 2019.
- 4 Only expenditure directly incurred for the Event is recorded, on accrual basis, in income and expenditure account.
- 5 The purpose of the Event is to raise funds for providing charitable grants, rehabilitation services and community development, and services for the elderly and young people.

Approved and authorised for issue by the general committee on 15 January 2020


Peter Messervy MBE
Chairman


Shally Ling
Treasurer



About Baker Tilly Hong Kong

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