

**THE DUCHESS OF KENT CHILDREN'S HOSPITAL AT SANDY BAY**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE FUND RAISING ACTIVITIES FOR IMPROVEMENT OF PATIENT SERVICES OF THE  
DUCHESS OF KENT CHILDREN'S  
HOSPITAL AT SANDY BAY**

**FOR THE PERIOD FROM 1 JUNE, 2015 TO 31 MAY, 2016**

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**范 陳 會 計 師 行**  
***FAN, CHAN & CO.***

**CERTIFIED PUBLIC ACCOUNTANTS  
HONG KONG**

**INDEPENDENT ASSURANCE REPORT**  
**TO THE ORGANISER OF FUND RAISING ACTIVITIES FOR IMPROVEMENT OF PATIENT SERVICES**  
**OF THE DUCHESS OF KENT CHILDREN'S HOSPITAL AT SANDY BAY ("the Permittee")**

Public Subscription Permit No. 2015/133/1

Pursuant to the conditions stated in the Public Subscription Permit issued by the Social Welfare Department of the Government of 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 activities held during the period from 1 June, 2015 to 31 May, 2016 ("the Event").

*Responsibilities of the organiser*

The organiser 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 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.

*Our responsibility*

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 the 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.

Rooms 1007-1012, 10/F., K. Wah Centre, 191 Java Road, North Point, Hong Kong  
香港北角渣華道 191 號嘉華國際中心 10 樓 1007-1012 室

Tel: (852) 2816 3188 Fax: (852) 2891 5103 Email: fanchan@fanchan.com

Fan, Chan & Co. is a member firm of Nexia International, a worldwide network of independent accounting and consulting firms.

**INDEPENDENT ASSURANCE REPORT**  
**TO THE ORGANISER OF FUND RAISING ACTIVITIES FOR IMPROVEMENT OF PATIENT SERVICES**  
**OF THE DUCHESS OF KENT CHILDREN'S HOSPITAL AT SANDY BAY ("the Permittee")**

Public Subscription Permit No. 2015/133/1

*Our responsibility (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 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.

*Fan, Chan & Co*

Fan, Chan & Co.  
Certified Public Accountants  
Hong Kong, 21 July, 2016

Rooms 1007-1012, 10/F., K. Wah Centre, 191 Java Road, North Point, Hong Kong  
香港北角渣華道 191 號嘉華國際中心 10 樓 1007-1012 室

Tel: (852) 2816 3188 Fax: (852) 2891 5103 Email: fanchan@fanchan.com

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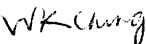
**INCOME AND EXPENDITURE ACCOUNT**  
**IN RESPECT OF THE FUND RAISING ACTIVITIES**  
**(PUBLIC SUBSCRIPTION PERMIT NO. 2015/133/1)**  
**HELD DURING THE PERIOD FROM 1 JUNE, 2015 TO 31 MAY, 2016**

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	HK\$
<b>INCOME</b>	
Charity collection	10,306.10
<b>EXPENDITURE</b>	-
<hr/>	
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>	<b>10,306.10</b>

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The income and expenditure account above was approved and authorised for issue by The Duchess of Kent Children's Hospital At Sandy Bay on 21 July, 2016 and is signed on its behalf by:

  
\_\_\_\_\_  
Hospital Chief Executive

  
\_\_\_\_\_  
Cluster General Manager (Finance)

**NOTES TO INCOME AND EXPENDITURE ACCOUNT**  
**IN RESPECT OF THE FUND RAISING ACTIVITIES**  
**(PUBLIC SUBSCRIPTION PERMIT NO. 2015/133/1)**  
**FOR THE PERIOD FROM 1 JUNE, 2015 TO 31 MAY, 2016**

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**1. General**

Fund Raising for Hospital Improvement Projects is an Event organised by The Duchess of Kent Children's Hospital At Sandy Bay ("the Hospital") for the purpose of raising charitable funds to the Hospital for improvement of patient services

**2. Summary of significant accounting policies**

**Basis of accounting**

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

**Income recognition**

Income from charity collection is recognised on cash basis.

**3. Taxation**

As the Hospital is registered as a charitable organisation under Section 88 of Inland Revenue Ordinance, the income from the Event is exempted from Hong Kong profits tax.