

**INDEPENDENT ASSURANCE REPORT
TO THE BOARD OF DIRECTORS OF THE HONG KONG BUDDHIST ASSOCIATION
("The Association")**

PUBLIC SUBSCRIPTION PERMIT NO. 2017/104/1

Pursuant to the conditions stated in the Public Subscription Permit issued by the Social Welfare Department of the Government of the Hong Kong Special Administration Region ("SWD"), we have been requested to report on the attached income and expenditure account of the 2561st birthday (2017) of Lord Buddha held during the period from 3rd May, 2017 to 5th May, 2017 ("the Event").

Responsibilities of the Directors

The Directors 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.

Auditor'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 solely to you.

Basis of conclusion

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.

LUI & MAK

CERTIFIED PUBLIC ACCOUNTANTS

呂榮光 麥錦棠 陳杰宏
會計師事務所

**INDEPENDENT ASSURANCE REPORT
TO THE BOARD OF DIRECTORS OF THE HONG KONG BUDDHIST ASSOCIATION
("The Association") (Continued)**

PUBLIC SUBSCRIPTION PERMIT NO. 2017/104/1

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 Association 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 Association'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).

Use of report

This report is intended solely for the purpose of assisting the Association 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.

LUI & MAK
CERTIFIED PUBLIC ACCOUNTANTS
Rooms 604-7, Dominion Centre,
43-59 Queen's Road East,
Wan Chai,
Hong Kong
1st August, 2017

THE CELEBRATION OF THE 2561ST BIRTHDAY (2017) OF LORD BUDDHA

(ORGANISED BY THE HONG KONG BUDDHIST ASSOCIATION)

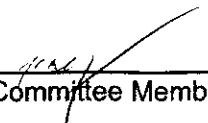
(Public Subscription Permit No. 2017/104/1)

INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 3RD MAY, 2017 TO 5TH MAY, 2017

	HK\$	HK\$
INCOME		
Donation received		4,997,475.45
EXPENDITURE		
Advertising and promotion	515,206.51	
Ceremonious fee	235,700.00	
District activities expense	342,953.60	
Goods for charity	81,590.91	
Flowers, water and others	27,795.30	
Insurance	1,100.00	
Design, printing fees and DVD making	150,902.00	
Messing	225,856.60	
Rental charges of stadium (including equipment rental)	620,385.40	
Security fee	17,500.00	
Service charge	64,000.00	
Stadium decoration	1,425,920.00	
Sundry expenses	52,394.04	
Transportation	168,672.82	
Wages	<u>101,277.00</u>	<u>4,031,254.18</u>
		966,221.27
INCOME IN EXCESS OF EXPENDITURE		
Surplus transfer to Hang Seng Bank Current account no.: 289-017766-008		<u>(966,221.27)</u>
		- =====

Approved and authorised for issue by the Board of Director on 1st August, 2017.


Management Committee Member


Management Committee Member

THE CELEBRATION OF THE 2561ST BIRTHDAY (2017) OF LORD BUDDHA

(ORGANISED BY THE HONG KONG BUDDHIST ASSOCIATION)

(Public Subscription Permit No. 2017/104/1)

NOTES ON THE INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 3RD MAY, 2017 TO 5TH MAY, 2017

(1) GENERAL INFORMATION

The Celebration of 2561st Birthday (2017) of Lord Buddha is an Event organised by the Hong Kong Buddhist Association (“the Association”) for the purpose of raising charitable funds to subsidise the Association for running expenses of the Celebration of the 2561st Birthday (2017) of Lord Buddha and, if any, surplus will be spent on all charitable activities organised by the Association.

(2) PRINCIPAL ACCOUNTING POLICY

- (i) The income and expenditure account has been prepared in accordance with accounting principles generally accepted in Hong Kong. Donations received are recognised as income on the receipt basis.
- (ii) The sales of charity goods are not stated in the Public Subscription Permit issued by the Social Welfare Department. However, as the management of the stadium has not objections for these activities that were conducted within the stadium, the sales of charity goods and this relevant expenses formed part of the income and expenses of this account.

(3) TAXATION

No provision for Hong Kong profits tax is required as the Event is operated by Hong Kong Buddhist Association which is an approved charitable institution under Section 88 of the Inland Revenue Ordinance.