

SCMP CHARITIES LIMITED
INCOME AND EXPENDITURE ACCOUNT
IN RESPECT OF OPERATION SANTA CLAUS 2016 PROJECT

LEE, AU & CO.
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG



**Independent Auditor's Report to the Members
of SCMP Charities Limited
In respect of Operation Santa Claus 2016 Project**

Opinion

We have audited the financial statements of SCMP Charities Limited in respect alone of Operation Santa Claus 2016 Project set out on pages 3 and 4, which comprise the income and expenditure account and a summary of significant accounting policies.

In our opinion, the income and expenditure account gives a true and fair view of the result of Operation Santa Claus 2016 Project in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hong Kong Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Hong Kong Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lee, Au & Co.
Certified Public Accountants

Hong Kong: 13 November 2017

SCMP CHARITIES LIMITED
IN RESPECT OF OPERATION SANTA CLAUS 2016 PROJECT
INCOME AND EXPENDITURE ACCOUNT

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
<u>Income</u>		
Donation income	15,559,248	21,172,988
<u>Less: Expenditure</u>		
Accountancy fee	38,000	39,500
Audit fee	26,000	26,600
Bank charges	31,539	28,383
Donation	15,072,687	20,781,306
Mandatory provident fund contributions	13,624	14,931
Promotion	-	33,083
Travelling	4,551	6,738
Salaries	545,837	403,522
Staff medical/Life insurance	-	12,119
Sundry expenses	276,961	189,140
	<u>16,009,199</u>	<u>21,535,322</u>
Deficit for the year	<u>(449,951)</u>	<u>(362,334)</u>

Deficit for the year and surplus brought forward of HK\$634,329 had been carried forward to year 2016 project.

We certify that all the above income and expenditure were received and incurred for Operation Santa Claus 2016 Project.



Director
WANG Lai Yung



Director
Cheung Hoi Sze Elsie

Date: 13 November 2017

SCMP CHARITIES LIMITED
IN RESPECT OF OPERATION SANTA CLAUS 2016 PROJECT
NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

1. Principal accounting policies

(a) Basis of preparation

The income and expenditure account has been prepared under historical cost convention and in accordance with Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong.

(b) Income recognition

The project's income during the period were recognised when received.

(c) Expenditure recognition

Expenditure items were recognised as an expense in the period in which they are incurred.