

Philip Lai & Co. 黎健威會計師事務所
(CPA Practising)

**INDEPENDENT ASSURANCE REPORT TO THE COMMITTEE MEMBERS OF
PROJECT ORBIS INTERNATIONAL, INC. ("the Permittee")**
(incorporated in United States of America)

Public Subscription Permit No: [2018/159/1]

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 general charitable fund-raising activity held during the period from 24 July 2018 to 2 September 2018 ("the Event").

Respective responsibilities of the Committee Members and ourselves

The Committee Members are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in note 1, 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.

We apply 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.

Practitioner's Responsibilities

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.

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 Hong Kong Institute of Certified Public Accountants ("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.

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**INDEPENDENT ASSURANCE REPORT TO THE COMMITTEE MEMBERS OF
PROJECT ORBIS INTERNATIONAL, INC. ("the Permittee") - CONTINUED**
(incorporated in United States of America)

Practitioner's Responsibilities - 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 1.

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.



Philip Lai & Co. (CPA Practising)
Hong Kong, 29 November 2018


Lai Kin Wai
Practising Certificate Number P04164

PROJECT ORBIS INTERNATIONAL, INC.

STATEMENT OF INCOME AND EXPENDITURE
IN RESPECT OF THE FUND-RAISING ACTIVITIES
HELD FROM 24 JULY 2018 TO 2 SEPTEMBER 2018

	HK\$
RECEIPTS FROM MOONCAKE AND PAPER BAG SALES	665,090
COST OF SALES	(33,895)
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SURPLUS FROM MOONCAKE AND PAPER BAG SALES	631,195
RECEIPTS FROM DONATIONS	158,146
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	789,341
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EXPENDITURE	
Audit fee	2,500
Insurance	3,802
Local travelling	1,034
Miscellaneous	5,226
Postage and messenger services	27,129
Salaries	66,925
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	106,616
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EXCESS OF INCOME OVER EXPENDITURE	682,725
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Approved by the Committee Members on 29 November 2018.



Committee Member



Committee Member

PROJECT ORBIS INTERNATIONAL, INC.

NOTES TO STATEMENT OF INCOME AND EXPENDITURE
IN RESPECT OF THE FUND-RAISING ACTIVITIES
HELD FROM 24 JULY 2018 TO 2 SEPTEMBER 2018

Basis of preparation

1. Purpose of the fund-raising activities
The fund-raising activities aim to raise funds for operating expenses of Project Orbis International, Inc's sight saving work worldwide and the funds so raised are kept by the Charity.
2. These income and expenditure account have been prepared in accordance with accruals basis of accounting.
3. The significant accounting policies are set out below:
 - (a) Income recognition
Sales are recognized upon delivery of goods.
Donations are recognized when received.

4. <u>Donations credited to the bank</u>	HK\$
Excess of income over expenditure	682,725
Add: Accrued expenditure not yet paid as at 10 September 2018	<u>140,511</u>
Net balance of donations deposited into the Charity's bank account by 10 September 2018	<u><u>823,236</u></u>