

Independent Assurance Report

**THE SALVATION ARMY**

For the fund raising event to provide emergency relief to  
an earthquake in Haiti held on 23 January 2010

**CACHET**

**Ascenda Cachet CPA Limited**

天健德揚會計師事務所有限公司

THE SALVATION ARMY

REPORT OF INCOME AND EXPENDITURE ACCOUNT

FOR THE FUND RAISING EVENT TO PROVIDE EMERGENCY RELIEF TO AN  
EARTHQUAKE IN HAITI HELD ON 23 JANUARY 2010

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**INDEPENDENT ASSURANCE REPORT TO THE FINANCE COUNCIL MEMBERS OF THE SALVATION ARMY**

In accordance with our agreed terms of engagement, we have performed an engagement on the attached income and expenditure account of The Salvation Army's fund raising event held on 23 January 2010 for providing emergency relief to an earthquake in Haiti.(the "Event").

**Respective responsibilities of the Finance Council members and ourselves**

The Finance Council 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 income received and expenditure incurred in connection with the Event, in order to comply with the conditions as stated in the Public Subscription Permit no. 2010/033/1 (the "Public Subscription Permit") issued by the Social Welfare Department of The Government of the Hong Kong Special Administrative Region (the "Social Welfare Department") on 22 January 2010 to The Salvation Army. 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 income received and expenditure incurred in connection with the Event and is free from material misstatement.

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.

**Basis of conclusion**

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the "Circular on Reporting on General Charitable Fund-raising Activities Covered by Public Subscription Permits issued by the Social Welfare Department (Other than Flag Days)" issued by the Hong Kong Institute of Certified Public Accountants.

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.

Furthermore, 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 Salvation Army 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 Salvation Army's books and records.



**Basis of conclusion** (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.

**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 income received and the expenses incurred by The Salvation Army 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 to the income and expenditure statement.

**Use of report**

This report is intended solely for the purpose of assisting The Salvation Army to satisfy the conditions stated in the Public Subscription Permit issued by the Social Welfare Department on 22 January 2010 in connection with the Event and is not intended to be, and should not be, used for any other purpose.

Ascenda Cachet CPA Limited  
Certified Public Accountants

CHAN Chi Yuen  
Practising Certificate Number P02671

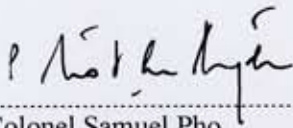
Hong Kong  
29 March 2010

THE SALVATION ARMY

INCOME AND EXPENDITURE ACCOUNT

FOR THE FUND RAISING EVENT TO PROVIDE EMERGENCY RELIEF TO AN  
EARTHQUAKE IN HAITI HELD ON 23 JANUARY 2010

	HK\$
Income from donation box	42,970.90
Administration expenditure	0.00
Auditors' remuneration	<u>2,100.00</u>
	<u>40,870.90</u>



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Lieut. Colonel Samuel Pho  
Officer Commanding  
29 March 2010

THE SALVATION ARMY

NOTES TO INCOME AND EXPENDITURE STATEMENT

FOR THE FUND RAISING EVENT TO PROVIDE EMERGENCY RELIEF TO AN  
EARTHQUAKE IN HAITI HELD ON 23 JANUARY 2010

1. BASIS OF PREPARATION

This income and expenditure account has been prepared in accordance with the accrual basis of accounting.

2. SIGNIFICANT ACCOUNTING POLICIES

Income recognition

Fund raised are recognised when the amount was received.

Expenses

Expenses are recognized on an accrual basis, they are recognized when a present obligation has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.