

TO: GOVERNMENT SECRETARIAT HOME AFFAIRS BUREAU
12/F, West Wing, Central Government Offices,
2 Tim Mei Avenue,
Tamar, Hong Kong.

**Maritime Silk Road Society (the “MSRS”)
Certified Statement of Income and Expenditure for Funding Programme of
2018 Operation Zhang Qian (the “Programme”)
For the period from 1 January 2018 to 30 September 2018
Ref no.: HAB/CA1/7-5/6 of 21 May 2018**

We have performed the procedures agreed with the Executives of the MSRS and enumerated below with respect to the Statements of Income and Expenditure of the MSRS for the Programme set out on page 5. Terms used in this report are the same as those defined in Letter dated 21 May 2018 and related supplementary documents were entered into between the Home Affairs Bureau (the “HAB”) and the MSRS unless otherwise stated below.

It is the responsibility of the MSRS’s executives to keep proper books and records of the MSRS and to monitor relevant internal controls and to prepare the Statement of Income and Expenditure for the Programme based upon the books and records of the MSRS. Our engagement was undertaken in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The procedures were performed solely to assist you in verifying the amount of income and expenditure for the Programme to HAB.

The agreed-upon procedures are summarized as follows:

1. We obtained and checked the grant received from HAB in the Statement of Income and Expenditure and compared the total balance of the grant received from HAB to the ledger.

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The agreed-upon procedures are summarized as follows (continued):

2. We obtained and checked the income from participants in the Statement of Income and Expenditure and compared the total balance of the income from participants to the ledger.
3. We obtained and checked the income reimbursed from the MSRS in the Statement of Income and Expenditure and compared the total balance of the fund from the MSRS to its bank's record.
4. We obtained and checked the grant reimbursable from HAB in the Statement of Income and Expenditure and compared the total balance of the fund receivables from HAB to the ledger.
5. We obtained and checked the expenditure of the internships in the Statement of Income and Expenditure and compared the total balance of the expenditure from the Programme to the ledger.
6. We obtained and checked the expenditure of staff recruitment in the Statement of Income and Expenditure and compared the total balance of the expenditure from staff remuneration to the ledger.
7. We obtained and checked the addition of the expenditure in relation to promotion and related activities in the Statement of Income and Expenditure and compared the total balance of the expenditure in relation to promotion and related activities to the ledger.
8. We obtained and checked the amount in fee quotations of the expenditures in the Statement of Income and Expenditure and compared the quotation documents to the quotation record.
9. We obtained the Statement of Income and Expenditure and checked the relevant income and expenditure are stated in accordance with the Appendix 3 - Guideline of Hosting Internship Programme and Use of Fund under the Programme as prescribed by HAB.



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We report our findings below:

1. With respect to procedure 1, we found that the checked items were correct, and the total balance was in agreement, and in funding requirement as prescribed by Funding Notice of the Scheme and Appendix 3 - Guideline of Hosting Internship Programme and Use of Fund under the Programme.
2. With respect to procedure 2, we found that the relevant income was correct and the total balance was in agreement.
3. With respect to procedure 3, we found that the reimbursement was correct and the total balance was in agreement with the MSRS's bank records.
4. With respect to procedure 4, we found that the grant reimbursable from HAB was correct, the total balance was in agreement, and the total balance was in funding requirement as prescribed by Funding Noticed of the Programme and Appendix 3 - Guideline of Hosting Internship Programme and Use of Fund under the Programme.
5. With respect to procedure 5, we found that the expenditure of internships was correct, and the total balance was in agreement. The expenditure of programme was approved expenditure as prescribed by Funding Notice of the Programme and Appendix 3 - Guideline of Hosting Internship Programme and Use of Fund under the Programme.
6. With respect to procedure 6, we found that the expenditure of staff recruitment was correct and the total balance was in agreement. The expenditure of staff recruitment was approved expenditure as prescribed by Funding Notice of the Programme and Appendix 3 – Guideline of Hosting Internship Programme and Use of Fund under the Programme.
7. With respect to procedure 7, we found that the expenditure in relation to promotion and related activities was correct and the total balance was in agreement. The expenditure in relation to promotion and related activities was approved expenditure as prescribed by Funding Notice of the Programme and Appendix 3 – Guideline of Hosting Internship Programme and Use of Fund under the Programme.
8. With respect to procedure 8, we found that the amount in fee quotations of the expenditures in the Statement of Income and Expenditure is in the quotation record and the quotation is fulfilled by requirement as prescribed by Funding Notice of the Programme and Appendix 3 – Guideline of Hosting Internship Programme and Use of Fund under the Programme.

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We report our findings below (continued):

9. With respect to procedure 9, we found that the Statement of Income and Expenditure is stated in accordance with the Appendix 3 - Guideline of Hosting Internship Programme and Use of Fund under the Programme as prescribed by HAB.

Because the above procedures do not constitute an assurance engagement made in accordance with Hong Kong Standard on Auditing, Hong Kong Standard on Review Engagements or Hong Kong Standard on Assurance Engagements issued by the HKICPA, we do not express any assurance on the Statement of Income and Expenditure for the Programme prepared by the MSRS. Our procedures involved the checking from the agreed upon procedures in related to the calculation of the amount of income and expenditure for the Programme to HAB with its evidence supporting, on a test basis, the amounts in the Statement of Income and Expenditure for the Programme are stated on page 5. We simply provide a report of factual findings of the above agreed-upon procedures on the said Statement of Income and Expenditure for the Programme.

Had we performed additional procedures or had we performed an assurance engagements of the financial statements in accordance with Hong Kong Standard on Auditing, Hong Kong Standard on Review Engagements or Hong Kong Standard on Assurance Engagements issued by the HKICPA, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the second paragraph of this report and is not to be used for any other purpose or to be distributed to any person not a member of management of HAB or the MSRS for verifying the amount of income and expenditure for the Programme. This report relates only to the items specified above and do not extend to any financial statements of the MSRS, taken as a whole. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

AE Majoris CPA & Co.

Certified Public Accountants

Hong Kong, 29 November 2018

CERTIFIED STATEMENTS OF INCOME AND EXPENDITURE
FOR FUNDING PROGRAMME OF
2018 OPERATION ZHANG QIAN
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 SEPTEMBER 2018
(REF. NO.: HAB/CA1/7-5/6)

	HK\$	HK\$
INCOME		
60% grant received from Home Affairs Bureau		558,180
Grant reimbursable from Home Affairs Bureau		62,846
Cash received from Maritime Silk Road Society		254,307
Total income		875,333
EXPENDITURE		
Seventy-seven Students' summer programme fees		
- Accommodation	106,083	
- Round-trip tickets	217,305	
- Insurance	19,236	
- Visa fees	15,336	
- Allowances	41,000	398,960
Salaries		
- 50% staff costs		230,476
Promotion and related activities		
- Kick-off ceremony		62,800
- Sharing session		
Venue	108,778	
Professional video and photo-taking	5,200	
Design of backdrop	4,300	
Production of backdrop	14,000	132,278
Miscellaneous		
- Health check	1,443	
- Postage	145	
- Travelling	6,342	
- Meal	37,889	45,819
Auditor's remuneration		5,000
Total expenditure		875,333
Surplus on funding programme		-

Certified true and correct on 29 November 2018 and signed by:

Wong Yin Fun
Chief Executive Officer

Tsang Kwan Ho
Executive Director

