

# **Ying Wa Girls' School Alumnae Association Charity Trust Fund**

**Trustees' Report and Financial Statements**

**For the year ended 31 December 2009**

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**Eric H. L. Chung & Co.**  
Certified Public Accountants  
Hong Kong

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## **YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND**

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## YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

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### Trustees' Report For the year ended 31 December 2009

The Trustees submit their report together with the audited financial statements for the year ended 31 December 2009.

#### Principal activities

The principal activities of the Charity Trust Fund are providing assistance and facilities for the advancement of education of the students of Ying Wa Girls' School.

#### Results

The income received and expenditure paid by the Charity Trust Fund for the year ended 31 December 2009 are set out in the Income and Expenditure Account on page 3. The state of affairs as at 31 December 2009 is set out in the Balance Sheet on page 4.

#### Trustees

The Trustees who held office during the year were:

Dr. Huen Kwai Fun	
Dr. Chau Ming Tak	(Appointed on 1 June 2009)
Ms. Chan Ping Kuen	(Appointed on 1 June 2009)
Ms. Cheng Yin Lee, Francie	(Appointed on 1 June 2009)
Ms. Ng Yuk Che	(Appointed on 1 June 2009)
Ms. Lam Lai Bing, Alison	
Ms. Leung Man Ping	
Ms. Chan Seung Yan, Sonja	(Resigned on 31 May 2009)
Ms. Chow Siu Fung	(Resigned on 31 May 2009)
Ms. Lai Yuk Fai	(Resigned on 31 May 2009)
Ms. Lee Man Shiu, Margaret	(Resigned on 31 May 2009)

In accordance with the Deed of Trust, the total number of Trustees shall at least be five, but not more than nine, and shall always be an odd number.

The term of office of the Trustees had expired on 31 May 2009. On 13 May 2009, the council meeting of the Settlor, Ying Wa Girls' School Alumnae Association Limited, approved that all the Trustees would continue their term of office until 31 May 2011.

#### Honorary Auditors

Eric H.L. Chung & Co. Certified Public Accountants were appointed as honorary auditors of the Charity Trust Fund.

On behalf of the Trustees

**YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND**



**Dr. Huen Kwai Fun**

**Chairman**

1 March 2010



**Independent Auditor's Report to the Trustees of  
YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND**

We have audited the financial statements of Ying Wa Girls' School Alumnae Association Charity Trust Fund set out on pages 3 to 9, which comprise the Balance Sheet as at 31 December 2009, the Income and Expenditure Account, Statement of Changes in Equity and Cash Flow Statement for the year ended 31 December 2009, and a summary of significant accounting policies and other explanatory notes.

**Trustees' responsibility of the financial statements**

The Trustees are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility for the financial statements**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the Charity Trust Fund as at 31 December 2009 and of its deficit and cash flows for the year ended 31 December 2009 in accordance with Hong Kong Financial Reporting Standards.

**Eric H L Chung & Co.**  
**Certified Public Accountants (Practising)**  
**Hong Kong**  
2 March 2010

**YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND**

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**Income and Expenditure Account  
For the year ended 31 December 2009**

	Notes	2009		2008	
		HK\$	HK\$	HK\$	HK\$
<b>INCOME</b>					
General donation			20,785		50,750
 <b>OTHER INCOME</b>					
Bank interest income			<u>26,457</u>		<u>127,386</u>
			47,242		178,136
 <b>EXPENDITURES</b>					
Miscellaneous		450		1,090	
Deposit commission		2,910		-	
Bank agent fee		1,164			
Loss on exchange		15		-	
Subsidy payment	7	<u>190,707</u>	<u>(195,246)</u>	<u>393,122</u>	<u>(394,212)</u>
 <b>DEFICIT FOR THE YEAR</b>			<u><u>(148,004)</u></u>		<u><u>(216,076)</u></u>

The notes on pages 7 to 9 form an integral part of these financial statements

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YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

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Balance Sheet  
As at 31 December 2009

	Notes	2009 HK\$	2008 HK\$
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Available-for-sale financial assets	6	2,437,338	-
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,594,064	6,201,200
Interest income receivables		32,797	11,003
		3,626,861	6,212,203
<b>NET ASSETS</b>		<u>6,064,199</u>	<u>6,212,203</u>
<b>REPRESENTING:</b>			
Accumulated surplus		<u>6,064,199</u>	<u>6,212,203</u>

The financial statements were approved by the Trustees on 1 March 2010 and signed on their behalf by



**Dr. Huen Kwai Fun**  
Trustee



**Ms. Ng Yuk Che**  
Trustee

The notes on pages 7 to 9 form an integral part of these financial statements

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YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

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Statement of Changes in Equity  
For the year ended 31 December 2009

	HK\$
Balance at 1 January 2008	6,428,279
Deficits for the year	<u>(216,076)</u>
Balance at 31 December 2008 and 1 January 2009	6,212,203
Deficits for the year	<u>(148,004)</u>
Balance at 31 December 2009	<u>6,064,199</u>

The notes on pages 7 to 9 form an integral part of these financial statements

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**YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND**

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**Statement of Cash Flows**  
**For the year ended 31 December 2009**

	Notes	2009 HK\$	2008 HK\$
<b>OPERATING ACTIVITIES</b>			
Deficit for the year		(148,004)	(216,076)
Adjustment for:			
Interest income		<u>(26,457)</u>	<u>(127,386)</u>
<b>Operating deficit</b>			
<b>before changes in working capital</b>		(174,461)	(343,462)
<b>INVESTING ACTIVITIES</b>			
Interest received		37,460	120,861
Purchase of held-to-maturity investments		(2,437,338)	-
Increase in interest accrued for			
held-to-maturity investments		<u>(32,797)</u>	<u>-</u>
<b>Net decrease in cash and</b>			
<b>cash equivalents</b>		(2,607,136)	(222,601)
<b>Cash and cash equivalents</b>			
<b>at beginning of the year</b>		<u>6,201,200</u>	<u>6,423,801</u>
<b>Cash and cash equivalents</b>			
<b>at end of the year</b>	5	<u>3,594,064</u>	<u>6,201,200</u>

The notes on pages 7 to 9 form an integral part of these financial statements

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Notes to the Financial Statements  
For the year ended 31 December 2009

1. ESTABLISHMENT DETAILS AND TRUSTEES' LIABILITY

Establishment details

The fund is a charitable trust and was established by a Deed of Trust dated 26 May 2006 under the Laws of Hong Kong. It was deemed to have taken effect as from 1 March 2006. The settlor is Ying Wa Girls' School Alumnae Association Limited.

Trustees' liability

No Trustee shall be liable to any loss to the Fund arising by reason of any investment made in good faith, or due to the negligence or fraud of any employee or agent retained by the Trustees, or by reason of any mistake or omission made in good faith by any Trustee, or by reason of any other matter or thing, except willful and fraudulent act or omission on the part of the Trustee who is sought to be made liable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards.

**The adoption of new / revised HKFRSs as of 1 January 2009**

The following new / revised HKFRSs are adopted for the first time for current year's financial statements:

HKAS 1 (revised)	Presentation of financial statements
HKFRS 7	Financial Instruments – Disclosures (amendment)

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment has been required.

Income recognition

Donation income is recognized on a cash basis.

Bank interest income is recognized on an accrual basis.

Taxation

The Charity Trust Fund is exempted from Hong Kong profit tax in accordance with provisions of Section 88 of the Inland Revenue Ordinance.

Notes to the Financial Statements  
For the year ended 31 December 2009

3. TRUSTEES' REMUNERATION

None of the Trustees received any remuneration in respect of their services rendered to the Fund during the year.

4. FINANCIAL INSTRUMENTS

The Charity Trust Fund classifies its financial instruments into the following categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. Purchases and sales of the financial assets are recognised using trade date accounting.

*Available-for-sale financial assets*

An available-for-sale financial asset is a non-derivative financial asset in unlisted investment that is designated as available-for-sale or is not classified in any of the other two categories.

An available-for-sale financial asset is initially measured at fair value plus directly attributable transaction costs. Subsequently, it is remeasured at fair value with changes in fair value recognised in equity until the investment is either sold or impaired. On disposal of an available-for-sale investment, cumulative gains or losses previously recognised in equity are recognised through the income statement.

If an available-for-sale financial asset measured at fair value is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in income statement, is transferred from equity to the income statement. Impairment losses on investments classified as available-for-sale are not reversed in the income statement. Impairment losses on debt instruments are reversed through the income statement, if the increase in the fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

When the fair value of unquoted investment cannot be reliably measured because (i) the variability in the range of reasonable fair value estimates is significant for that investment or (ii) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating the fair value, such securities are stated at cost less any impairment losses.

If there is objective evidence that an impairment loss on such unquoted investment has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

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**YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND**

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**Notes to the Financial Statements  
For the year ended 31 December 2009**

**5. CASH AND CASH EQUIVALENTS**

	<b>2009</b>	<b>2008</b>
	<b>HK\$</b>	<b>HK\$</b>
Fixed deposit accounts	-	5,587,567
Current account	51,230	121,602
Saving account	<u>3,542,834</u>	<u>492,031</u>
	<u>3,594,064</u>	<u>6,201,200</u>

**6. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	<b>2009</b>	<b>2008</b>
	<b>HK\$</b>	<b>HK\$</b>
Debt securities - Bonds	2,328,000	-
Premium	<u>109,338</u>	<u>-</u>
	<u>2,437,338</u>	<u>-</u>

**7. SUBSIDY PAYMENT**

	<b>2009</b>	<b>2008</b>
	<b>HK\$</b>	<b>HK\$</b>
Alumnae Association scholarship	6,000	6,000
Aquarium project	4,516	7,484
Audio CD Production	31,400	-
Bible giving to S1 students	10,500	11,424
Dance workshop	5,950	-
Drama workshop	24,400	-
End-term activities	33,770	55,215
Exchange program	4,850	-
Exploring physics concepts at Disney	-	8,200
International gateway for youth	12,000	-
Long run team	11,638	-
Mentorship program	20,861	10,099
Outward Bound course	38,376	47,730
Pre-approved subsidy to school	-	65,355
Purchase of sports equipment	-	48,360
School choir / musicians CD production	-	46,800
Singapore interflow	-	86,455
Mainland tour	2,000	-
Refund of balance of money advanced in Nov 2008	<u>(15,554)</u>	<u>-</u>
	<u>190,707</u>	<u>393,122</u>