

Ying Wa Girls' School Alumnae Association Charity Trust Fund

Trustees' Report and Financial Statements

For the year ended 31 December 2011

Eric H. L. Chung & Co.

Certified Public Accountants

Hong Kong

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

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YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

Trustees' Report For the year ended 31 December 2011

The Trustees submit their report together with the audited financial statements for the year ended 31 December 2011.

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 2011 are set out in the Income and Expenditure Account on page 3. The state of affairs as at 31 December 2011 is set out in the Balance Sheet on page 4.

Trustees

The Trustees who held office during the year were:

Dr. Huen Kwai Fun
Ms. Chan Ping Kuen
Ms. Cheng Yin Lee, Francie
Ms. Ng Yuk Che
Ms. Lam Lai Bing, Alison
Ms. Leung Man Ping
Dr. Wan Charn Wing Frank (Appointed on 1 June 2011)
Dr. Chau Ming Tak (Resigned on 31 May 2011)

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.

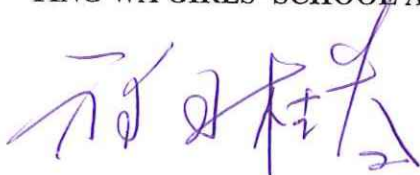
On 18 April 2011, the council meeting of the Settlor, Ying Wa Girls' School Alumnae Association Limited, approved that all the Trustees would continue their term of office until 31 May 2013.

Honorary Auditors

Eric H.L. Chung & Co. Certified Public Accountants were reappointed 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
7 March 2012



**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 8, which comprise the Balance Sheet as at 31 December 2011, the Income and Expenditure Account, Statement of Changes of Accumulated Surplus and Cash Flow Statement for the year ended 31 December 2011, 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 ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). 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 HKICPA. 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 2011 and of its surplus and cash flows for the year ended 31 December 2011 in accordance with HKFRS.

Eric H L Chung & Co.
Certified Public Accountants (Practising)
Hong Kong
9 March 2012

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

**Income and Expenditure Account
For the year ended 31 December 2011**

	Notes	<u>2011</u>		<u>2010</u>	
		HK\$	HK\$	HK\$	HK\$
INCOME					
General donation			21,450		36,800
OTHER INCOME					
Gain on exchange		112,458		13,981	
Bond interest income		113,411		113,264	
Bank interest income		<u>13,958</u>	<u>239,827</u>	<u>2,090</u>	<u>129,335</u>
			261,277		166,135
EXPENDITURES					
Amortization of premium - bond		23,925		24,509	
Miscellaneous		3,712		1,942	
Deposit commission		233		233	
Bank agent fee		-		351	
Subsidy payment	7	<u>231,749</u>	<u>(259,619)</u>	<u>499,063</u>	<u>(526,098)</u>
SURPLUS / (DEFICIT) FOR THE YEAR			<u><u>1,658</u></u>		<u><u>(359,963)</u></u>

The notes on pages 7 to 8 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

**Balance Sheet
As at 31 December 2011**

	Notes	2011 HK\$	2010 HK\$
ASSETS			
NON CURRENT ASSETS			
Held-to-maturity investments	5	2,623,151	2,647,076
CURRENT ASSETS			
Cash and cash equivalents	6	3,139,033	3,023,024
Interest income receivables		32,797	34,136
		<u>3,171,830</u>	<u>3,057,160</u>
CURRENT LIABILITIES			
Account payables		<u>89,087</u>	<u>-</u>
NET CURRENT ASSETS		<u>3,082,743</u>	<u>5,704,236</u>
NET ASSETS		<u>5,705,894</u>	<u>5,704,236</u>
REPRESENTING:			
Accumulated surplus		<u>5,705,894</u>	<u>5,704,236</u>

The financial statements were approved by the Trustees on 7 March 2012 and signed on their behalf by



Dr. Huen Kwai Fun
Trustee

Ms. Ng Yuk Che
Trustee



The notes on pages 7 to 8 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

Statement of Changes of Accumulated Surplus
For the year ended 31 December 2011

	HK\$
Balance at 1 January 2010	6,064,199
Deficit for the year	<u>(359,963)</u>
Balance at 31 December 2010 and 1 January 2011	5,704,236
Surplus for the year	<u>1,658</u>
Balance at 31 December 2011	<u>5,705,894</u>

The notes on pages 7 to 8 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

Statement of Cash Flows
For the year ended 31 December 2011

	Notes	2011 HK\$	2010 HK\$
OPERATING ACTIVITIES			
Surplus / (Deficit) for the year		1,658	(359,963)
Adjustment for:			
Amortization of premium - bond		23,925	24,509
Interest income		<u>(127,369)</u>	<u>(115,354)</u>
Cash used in operations		(101,786)	(450,808)
Increase in account payables		<u>89,087</u>	<u>-</u>
		(12,699)	(450,808)
INVESTING ACTIVITIES			
Interest received		127,369	148,151
Purchase of held-to-maturity investments		-	(234,247)
Decrease / (increase) in interest accrued for held-to-maturity investments		<u>1,339</u>	<u>(34,136)</u>
Net increase / (decrease) in cash and cash equivalents		116,009	(571,040)
Cash and cash equivalents at beginning of the year		<u>3,023,024</u>	<u>3,594,064</u>
Cash and cash equivalents at end of the year	6	<u><u>3,139,033</u></u>	<u><u>3,023,024</u></u>

The notes on pages 7 to 8 form an integral part of these financial statements

Notes to the Financial Statements
For the year ended 31 December 2011

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.

Income recognition

Donation income is recognized on a cash basis.

Bank and bond interest income are 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.

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 category 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.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities with the Trustees have the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment losses.

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

**Notes to the Financial Statements
For the year ended 31 December 2011**

5. HELD-TO-MATURITY INVESTMENTS

	2011	2010
	HKS	HKS
Debt securities - Bonds	2,562,247	2,562,247
Premium	60,904	84,829
	<u>2,623,151</u>	<u>2,647,076</u>

6. CASH AND CASH EQUIVALENTS

	2011	2010
	HKS	HKS
Fixed deposit accounts	-	1,413,360
Current account	66,854	1,521,147
Saving account	3,072,179	88,517
	<u>3,139,033</u>	<u>3,023,024</u>

7. SUBSIDY PAYMENT

	2011	2010
	HKS	HKS
Alumnae Association scholarship	6,000	6,000
Alpha Course – Christian Fellowship	-	5,375
Audio CD Production	-	19,000
Beyond 110 Project	-	39,792
Bible giving to S1 students	10,936	10,500
Dongguan Basketball Training	24,906	-
DVD Production – Capturing YW Heritage Project	30,000	172,039
End-term activities	39,516	34,021
Expo 2010 in Shanghai	-	45,672
Friends of nature club – Bird Watching Telescope	-	16,900
German Culture and Language Exchange Programme	40,500	-
International Gateway for Gifted Youth	-	6,000
Junior assistant team	7,290	7,488
Mentorship program	4,110	16,808
Outward Bound course	19,030	65,860
Pre-approved subsidy to school	45,461	24,262
Retreat Camp of Christian Fellowship members and advisers	4,000	-
Volley ball team – Shanghai tour	-	29,346
	<u>231,749</u>	<u>499,063</u>