

Ying Wa Girls' School Alumnae Association Limited

(Incorporated in Hong Kong and Limited by Guarantee)

Directors' Report and Financial Statements

For the year ended 31 December 2008

Eric H. L. Chung & Co.

Certified Public Accountants

Hong Kong

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION LIMITED
(Incorporated in Hong Kong and Limited by Guarantee)

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YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION LIMITED
(Incorporated in Hong Kong and Limited by Guarantee)

Directors' Report
For the year ended 31 December 2008

The directors submit their report together with the audited financial statements for the year ended 31 December 2008.

Principal activities

The principal activities of the association are to foster and promote close relationship and better understanding among the past and present students and staff of Ying Wa Girls' School ("YWGS") as well as to assist YWGS in all its projects and activities when necessary.

Results

The income received and expenditure paid by the association for the year ended 31 December 2008 are set out in the Income and Expenditure Account on page 4. The state of affairs as at 31 December 2008 is set out in the Balance Sheet on page 5.

Directors

The directors who held office during the year were:

Dr. Huen Kwai Fun
Ms. Cheung Hoi Yan
Ms. Chow Siu Fung
Ms. Ho Yan Tak, Katherine
Ms. Kwan Hoi Yee
Ms. Lai Yuk Fai
Ms. Lee Sai Fung, Odetta
Ms. Lee Wai Tsun
Ms. Leung Helen
Ms. Leung Wai Kuen
Ms. Liu Suk Ling, Florence
Ms. Mak Lim Luen
Ms. Man Sze Wan
Ms. Wong Choi Fong, Fanny
Ms. Wong Ka Po
Ms. Yim Yin Chu
Ms. Yip Chui Man

In accordance with Article 25 of the association's Articles of Association, all directors shall retire at every 2-yearly Annual General Meeting and shall be eligible for re-election.

Directors' interests

No contracts of significance in relation to the activities of the association to which the association was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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Directors' Report
For the year ended 31 December 2008

Honorary Auditors

Eric H.L. Chung & Co. Certified Public Accountants were appointed by the directors as honorary auditors of the association.

A resolution for their re-appointment as the association's honorary auditors for the ensuring year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION LIMITED

Signed

Chairman

23 February 2009

**Independent Auditor's Report to the Members of
YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION LIMITED
(Incorporated in Hong Kong and Limited by Guarantee)**

We have audited the financial statements of Ying Wa Girls' School Alumnae Association Limited ("Association") set out on pages 4 to 9, which comprise the Balance Sheet as at 31 December 2008, the Income and Expenditure Account, Statement of Changes in Equity and Cash Flow Statement for the year ended 31 December 2008, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors 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 and the Hong Kong Companies Ordinance. 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 directors, 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 the association's affairs as at 31 December 2008 and of its surplus and cash flows for the year ended 31 December 2008 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Signed
Eric H L Chung & Co.
Certified Public Accountants (Practising)
Hong Kong
24 February 2009

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION LIMITED
(Incorporated in Hong Kong and Limited by Guarantee)

Income and Expenditure Account
For the year ended 31 December 2008

	Notes	HK\$	2008 HK\$	HK\$	2007 HK\$
INCOME					
Donation from members			11,000		1,000
Membership fee			17,500		16,000
Souvenir			6,540		-
Surplus from Homecoming Day			1,000		-
Surplus from annual dinner	6		-		3,712
			36,040		20,712
OTHER INCOME					
Bank interest income			16,681		2,252
			52,721		22,964
EXPENDITURES					
Deficit from annual dinner	6	6,284		-	
Legal and professional fee		3,055		3,055	
Miscellaneous		631		990	
Postage		7,835		8,994	
Printing and publication		19,579		24,270	
Retirement gift for teachers		970		1,137	
Stationery		2,330		960	
S5 Orientation		3,188	(43,872)	3,000	(42,406)
SURPLUS / (DEFICIT) FOR THE YEAR			8,849		(19,442)

The notes on pages 8 to 9 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION LIMITED
(Incorporated in Hong Kong and Limited by Guarantee)

Balance Sheet
As at 31 December 2008

	Notes	2008 HK\$	2007 HK\$
CURRENT ASSETS			
Deposits		15,000	10,000
Fund receivables	7	-	600,000
Cash and bank balances	8	803,074	194,875
		<u>818,074</u>	<u>804,875</u>
CURRENT LIABILITIES			
Advance receipt from mentorship		<u>4,350</u>	<u>-</u>
NET CURRENT ASSETS		<u>813,724</u>	<u>804,875</u>
NET ASSETS		<u>813,724</u>	<u>804,875</u>
REPRESENTING:			
Accumulated Fund	3	804,875	824,317
Surplus / (Deficits) for the year		<u>8,849</u>	<u>(19,442)</u>
		<u>813,724</u>	<u>804,875</u>

The financial statements were approved by the Board on 23 February 2009 and signed on its behalf by

Signed
Director

Signed
Director

The notes on pages 8 to 9 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION LIMITED
(Incorporated in Hong Kong and Limited by Guarantee)

Statement of Changes in Equity
For the year ended 31 December 2008

	Reserves HK\$
Balance at 1 January 2008	804,875
Surplus for the year	<u>8,849</u>
Balance at 31 December 2008	<u>813,724</u>

The notes on pages 8 to 9 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION LIMITED
(Incorporated in Hong Kong and Limited by Guarantee)

Cash Flow Statement
For the year ended 31 December 2008

	Notes	2008 HK\$	2007 HK\$
OPERATING ACTIVITIES			
Surplus / (deficit) for the year		8,849	(19,442)
Adjustment for:			
Interest income		<u>(16,681)</u>	<u>(2,252)</u>
Operating (deficit) before changes in working capital		(7,832)	(21,694)
(Increase) in deposits		(5,000)	(10,000)
Decrease in fund receivables		600,000	70,106
Increase in advance receipt		<u>4,350</u>	<u>-</u>
Net cash generated from operating activities		591,518	38,412
INVESTING ACTIVITIES			
Interest received		<u>16,681</u>	<u>2,252</u>
Net increase in cash and cash equivalents		608,199	40,664
Cash and cash equivalents at beginning of the year		<u>194,875</u>	<u>154,211</u>
Cash and cash equivalents at end of the year	8	<u><u>803,074</u></u>	<u><u>194,875</u></u>

The notes on pages 8 to 9 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION LIMITED
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Notes to the Financial Statements
For the year ended 31 December 2008

1. INCORPORATION DETAILS AND MEMBERS' LIABILITY

Incorporation details

The Association was incorporated under the Laws of Hong Kong on 1 March 2006 as limited by guarantee.

The objects for which the Association is established are to acquire and take over the whole of the assets and liabilities of the existing unincorporated institution known as Ying Wa Girls' School Alumnae Association ("YWGSAA").

Members' liability

The liability of the members is limited

Every member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound-up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Association contracted before the time at which he ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding ten Hong Kong dollars (HK\$10).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been drawn up in accordance with the accounting principles generally accepted in Hong Kong.

Income recognition

Donation income are recognized on a cash basis.

Membership fee income are recognized on a cash basis.

Interest income are recognized on an accrual basis

3. RESERVES

Of the total reserve \$824,317 at the balance sheet date, HK\$798,456 represented the surplus retained in the previous entity, namely Ying Wa Girls' School Alumnae Association ("YWGSAA"), as at 1 March 2006, subsequently brought forward to the Association upon incorporation.

4. DIRECTORS' EMOLUMENTS

None of the directors received any remuneration in respect of their services rendered to the Association during the year.

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Notes to the Financial Statements
For the year ended 31 December 2008

5. TAXATION

Under Section 24 (1) of the Inland Revenue Ordinance, where a corporation carries on a club or similar institution which receives from its members not less than half of its gross receipts on revenue account, such corporation shall be deemed not to carry on a business subject to Hong Kong profits tax

6. (Deficit) / Surplus from annual dinner	2008	2007
	HK\$	HK\$
Income		
Dinner fee	63,440	55,320
Less: Expenses		
Catering fee	(69,724)	(49,748)
Miscellaneous	<u>-</u>	<u>(1,860)</u>
(Deficit) / Surplus	<u>(6,284)</u>	<u>3,712</u>

7. Fund receivables	2008	2007
	HK\$	HK\$
YWGSAA under HKD Floating Booster Index Linked Deposit	<u>-</u>	<u>600,000</u>

8. CASH AND BANK BALANCES	2008	2007
	HK\$	HK\$
Fixed deposit	711,213	-
Saving account	56,749	130,861
Current account	33,816	62,718
Petty cash	<u>1,296</u>	<u>1,296</u>
	<u>803,074</u>	<u>194,875</u>