

**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**暉智會計師事務所有限公司**  
**CENTALENT CPA LIMITED**  
Certified Public Accountants

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**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**REPORT OF THE EXECUTIVE COMMITTEE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

The members of the executive committee submit their annual report together with the audited financial statements of the Association for the year ended 30 June 2020.

**Principal activities**

The principal activities of the Association are to promote the relationship of the past and present students of Ying Wa College.

**Results and appropriations**

The results of the Association for the year ended 30 June 2020 are set out in the statement of profit or loss and other comprehensive income on page 6.

**Executive committee members**

The members of the executive committee during the year and up to the date of this report were:

CHAN Ting Kwong	
FONG Pui Cheung	
HO Lap Yiu	
IP Che Ho	
KO Chi Wan	(Appointed on 7 November 2019)
KWAN Kai Cheong	
LAM Yan Wing	
LAU Tin Shing	
LAW Siu Chau	
LEE Wai Lun	
LI Chun Wai	
LIU Lik Hang, Rex	
LO Kwing Yu	
LUI Ping Keung	(Retired on 7 November 2019)
LUK Chi Toa	
NG Chi Kwong	
NG Kam Wah	(Retired on 7 November 2019)
NG King Him	
NG Yum Fai	(Retired on 7 November 2019)
POON Yiu Kei	(Appointed on 7 November 2019)
SHUM Ping Sang	
TSZE Chi Ho	
WONG Tsz Wing	(Appointed on 7 November 2019)
YEUNG Wai Yuen	

In accordance with Articles 35 of the Association's Articles of Association, all the remaining executive committee members shall continue in office.

**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED  
REPORT OF THE EXECUTIVE COMMITTEE  
FOR THE YEAR ENDED 30 JUNE 2020**

**Executive committee members' service contracts**

No executive members has a service contract with the Association which is not determinable by the Association within one year without payment of compensation, other than statutory compensation.

**Executive committee members' material interests in transactions, arrangements and contracts that are significant in relation to the association's business**

No transaction, arrangements and contracts of significance in relation to the Association's business to which an executive member of the Association had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the year.

**Management contracts**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Association were entered into or existed during the year.

**Permitted indemnity provisions**

At no time during the financial year and up to the date of this report of the executive committee, there was or is, any permitted indemnity provision being in force for the benefit of any of the executive committee members of the Association.


**Donation**

During the year, the Association made donation for charitable and other purposes amounting to HK\$559,205 (2019: HK\$444,772).

**Honorary auditors**

Centalent CPA Limited, Certified Public Accountants retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Centalent CPA Limited, Certified Public Accountants as the Association's auditor is to be proposed at the forthcoming annual general meeting. The financial statements of the prior year were audited by Ho Sneddon Chow Certified Public Accountants Limited.

On behalf of the executive committee



NG Chi Kwong  
Chairman  
Hong Kong, 30 October 2020

# 暉智會計師事務所有限公司

## CENTALENT CPA LIMITED, CERTIFIED PUBLIC ACCOUNTANTS

Unit B, 22/F., Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong.

Tel: 3586 8141

Fax: 8107 0606

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED

(Incorporated in Hong Kong with limited liability by guarantee and without share capital)

#### Opinion

We have audited the financial statements of Ying Wa College Old Boys' Association Limited ("the Association") set out on pages 6 to 13, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Executive Committee is responsible for the other information. The other information comprises the information included in the Executive Committee's report set out on pages 1 and 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED

(Continued)

(Incorporated in Hong Kong with limited liability by guarantee and without share capital)

#### Responsibilities of the Executive Committee for the Financial Statements

The Executive Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**

(Incorporated in Hong Kong with limited liability by guarantee)

- Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee of the Association, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Centalent CPA Limited

Certified Public Accountants

Hong Kong, 30 October 2020

CHIU Tak Yiu Leo

Practising Certificate No.: P04979

**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 HK\$	2019 HK\$
<b>INCOME</b>			
Bank interest income		212	13,034
Membership fees		27,650	83,700
Profit on function activities	6	14,245	536,459
Profit on sale of history books, ties and badge pins		43,658	363,556
Donation		1,000	-
Sundry income		-	107,580
		<u>86,765</u>	<u>1,104,329</u>
<b>EXPENDITURE</b>			
Bank charges		1,696	1,490
Business registration fee		250	250
Contribution to "Torch"		-	22,952
Donation		559,205	444,772
Postage		8,820	12,132
Printing and stationery		-	150
Sundry expenses		974	6,498
		<u>570,945</u>	<u>488,244</u>
<b>(DEFICIT) / SURPLUS FOR THE YEAR</b>		<u>(484,180)</u>	<u>616,085</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.



**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 HK\$	2019 HK\$
<b>CURRENT ASSETS</b>			
Inventories - merchandise		197,086	268,838
Prepayments and other receivables		13,218	2,299
Bank balances	7	683,350	1,070,173
		<u>893,654</u>	<u>1,341,310</u>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		<u>62,494</u>	<u>25,970</u>
<b>Net CURRENT ASSETS</b>		<u>831,160</u>	<u>1,315,340</u>
<b>NET ASSETS</b>		<u>831,160</u>	<u>1,315,340</u>
<b>FUND AND RESERVES</b>			
Accumulated fund		672,696	1,156,876
General reserve fund		92,667	92,667
Other funds	8	<u>65,797</u>	<u>65,797</u>
		<u>831,160</u>	<u>1,315,340</u>

The financial statements on pages 6 to 13 were approved and authorized for issue by the executive committee members on 30 October 2020 and are signed on its behalf by:

  
 Chairman, NG Chi Kwong

  
 Hon Treasurer, FONG Pui Cheung

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Accumulated fund	General reserve fund	Other funds	Total
	HK\$	HK\$	HK\$	HK\$
Balance at 1 July 2018	540,791	92,667	65,797	699,255
Surplus for the year	616,085	-	-	616,085
Balance at 30 June 2019	1,156,876	92,667	65,797	1,315,340
(Deficit) for the year	(484,180)	-	-	(484,180)
Balance at 30 June 2020	672,696	92,667	65,797	831,160

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 HK\$	2019 HK\$
<b>Cash flows from operating activities</b>			
(Deficit) / Surplus for the year		(484,180)	616,085
Adjustments for:			
Bank interest income		<u>(212)</u>	<u>(13,034)</u>
Operating cash (outflows) / inflows before movements in working capital		(484,392)	603,051
Decrease / (Increase) in inventories		71,752	(157,475)
Decrease in deposits paid		-	1,257,250
(Increase) / Decrease in prepayments and other receivables		(10,919)	6,852
Increase / (Decrease) in other payable and accruals		36,524	(635)
(Decrease) in receipt in advance		<u>-</u>	<u>(4,298,426)</u>
<i>Net cash (used in) operating activities</i>		<u>.....(387,035)</u>	<u>.....(2,589,383)</u>
<b>Cash flows from investing activities</b>			
Bank interest income		<u>212</u>	<u>13,034</u>
<i>Net cash from investing activities</i>		<u>.....212</u>	<u>.....13,034</u>
<i>Net cash from financing activities</i>		<u>.....-</u>	<u>.....-</u>
<b>Net (decrease) in cash and cash equivalents</b>		(386,823)	(2,576,349)
<b>Cash and cash equivalents at beginning of the year</b>		<u>1,070,173</u>	<u>3,646,522</u>
<b>Cash and cash equivalents at end of the year</b>		<u><u>683,350</u></u>	<u><u>1,070,173</u></u>
<b>Analysis of balance of cash and cash equivalents</b>			
Cash at bank	3(e)	<u><u>683,350</u></u>	<u><u>1,070,173</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**1. Reporting entity**

Ying Wa College Old Boys' Association Limited is incorporated in Hong Kong as a limited liability Association by guarantee and not having any share capital. The Association's registered office is located at 1 Ying Wa Street, Shamshuipo, Kowloon, Hong Kong. The principal activities of the Association were engaged in promoting the relationship of the past and present students of Ying Wa College.

**2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS**

**(a) Application of new and revised HKFRSs**

There are no new standards or amendments to HKFRSs issued by HKICPA that are first effective for the current accounting period of the Association.

**(b) New and revised HKFRSs in issue but not yet effective**

The Association has not early applied the following new and revised HKFRSs and amendments that have been issued but are not yet effective:

HKFRS 3	Definition of a Business (amendments) (Note 1)
HKAS 1 and HKAS 8	Definition of Material (amendments) (Note 1)
HKFRS 17	Insurance Contracts (new standard) (Note 2)
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting (Note 3)
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments) (Note 4)

Note 1: Effective for annual periods beginning on or after 1 January 2020

Note 2: Effective for annual periods beginning on or after 1 January 2021

Note 3: Revised in August 2020

Note 4: No mandatory effective date yet determined but available for adoption

The Executive Committee of the Association anticipates that the application of these new and revised HKFRSs and amendments will have no material financial impact on the financial statements of the Association.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared under the historical cost convention on a going concern basis.

The significant accounting policies applied in the preparation of these financial statements are set out below.

**(a) Revenue recognition**

Revenue is recognized when it is probable that the economic benefits will flow to the Association and when the revenue and costs, if applicable, can be measured reliably and on the following bases.

- (i) Membership fees are recognized upon receipt.

**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

(a) Revenue recognition - continued

- (ii) Activities and programme income are recognized when activities and programmes are completed.
- (iii) Bank interest income is recognized as it accrues using the effective interest method.

(b) Inventories - merchandise

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis, and includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(c) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(d) Impairment of assets

Assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Other assets are subject to review for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment loss is recognised in profit or loss to reduce the asset to its recoverable amount.

(e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Association's cash management are also included as a component of cash and cash equivalents.

**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

(f) Taxation

In the opinion of the Executive Committee, the Association is exempt from Hong Kong Profits Tax under the provision of Section 24(1) of the Inland Revenue Ordinance.

**4. REMUNERATION TO MEMBERS OF EXECUTIVE COMMITTEE**

Members of the Executive Committee received no fees and other emoluments for their services rendered during the year (2019: Nil).

**5. INCOME TAX EXPENSE**

No provision for Hong Kong profits tax is required since the Association has no assessable profit for the year (2019: Nil).

Further, the Association was exempted from taxation under Section 24(1) of the Hong Kong Inland Revenue Ordinance.

**6. PROFIT / (LOSS) ON FUNCTION ACTIVITIES**

	Income HK\$	Expenses HK\$	Total HK\$
Celebration of the 90 <sup>th</sup> birthday of former teacher Chiu Shing Moon banquet	176,800	158,702	18,098
Chinese New Year activities	-	22,050	(22,050)
Farewell Primary School Headmistress dinner	64,400	68,938	(4,538)
Financial Chapter dinner	19,940	17,504	2,436
Golf day	62,500	46,406	16,094
HK Geopark tour	17,420	18,440	(1,020)
Red Packet Project	21,620	8,883	12,737
“Start Up” seminar	5,700	7,292	(1,592)
Sunday activities	-	5,920	(5,920)
	<u>368,380</u>	<u>354,135</u>	<u>14,245</u>

**7. CASH AND CASH EQUIVALENTS**

	2020 HK\$	2019 HK\$
Bank balances	683,350	1,070,173
Cash and cash equivalents in the statement of cash flows	<u>683,350</u>	<u>1,070,173</u>

**YING WA COLLEGE OLD BOYS' ASSOCIATION LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**8. OTHER FUNDS**

	Mother school welfare fund HK\$	Education loan fund HK\$	Total HK\$
Balance at 1 July 2018, 30 June 2019 and 30 June 2020	14,673	51,124	65,797

**9. CAPITAL MANAGEMENT**

Capital comprises of funds and reserves without share capital stated on the statement of financial position. The Association's objective when managing its funds and reserves is to safeguard its ability to continue as a going concern and to support its principal activities.

The Association is not subject to internally or externally imposed capital requirements.

**10. FINANCIAL RISK MANAGEMENT**

Since the Association is not regarded as carrying on business, it does not have any significant major financial instruments and the associated risks of credit risk, interest rate risk, liquidity risk, foreign currency risk or price risk.

**11. RELATED PARTIES TRANSACTION**

Details of the Association's significant transactions with the following related party during the year ended 30 June 2020 are as follows:

	2020 HK\$	2019 HK\$
Ying Wa Education Foundation Limited managed by certain executive committee members:		
- Donation paid	559,205	444,772

The executive committee of the Association is of the opinion that the above transactions were entered into on terms which fulfil the objectives of the Association.

Amounts due to related parties of the Association included in other payables and accruals at the end of reporting period:

	2020 HK\$	2019 HK\$
Ying Wa College	4,360	16,620
Yung Wa Education Foundation Limited	49,784	-