

立信會計師事務所有限公司
Lixin C.P.A. Limited

Certified Public Accountants & Chartered Secretaries

**THE UNIVERSITY OF WARWICK AND THE HONG KONG POLYTECHNIC
UNIVERSITY MANUFACTURING ALUMNI ASSOCIATION LIMITED
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2006

**THE UNIVERSITY OF WARWICK AND THE HONG KONG POLYTECHNIC
UNIVERSITY MANUFACTURING ALUMNI ASSOCIATION LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st March, 2006.

PRINCIPAL ACTIVITIES

The principal activities of the Association is to cooperate with and promote the best interests of graduates from IEBMP program jointly organised by the Hong Kong Polytechnic University and University of Warwick and the graduates of the Warwick International Manufacturing Group of the University of Warwick.

FINANCIAL STATEMENTS

The surplus of the Association for the year ended 31st March, 2006 and the state of the Association's affairs at that date are set out in the financial statements on pages 5 to 9.

EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members of the Association who held office during the year were :

| | |
|------------------------|--|
| Kan Kwok Kit, Kennex | |
| Wong Yuk Lin, Jane | |
| Chu Sin Yi, Christine | |
| Mok Chun Kong, Eric | |
| Chan Bun | (Appointed on 10 th December, 2005) |
| Choi Sau Fung, Lornnie | (Appointed on 10 th December, 2005) |
| Wong Wai Kei, Stanley | (Appointed on 10 th December, 2005) |
| Wong Yuk Chun, Alan | (Appointed on 10 th December, 2005) |
| So Mei Chun, Donna | (Resigned on 10 th December, 2005) |
| Wong Wai Lap | (Resigned on 10 th December, 2005) |
| Wan Hoi Chi, Jackson | (Resigned on 10 th December, 2005) |
| Wong Sun Hung | (Resigned on 10 th December, 2005) |

In accordance with article No. 37 of the Association's Articles of Association, all Executive Committee Members shall retire from office, and shall be eligible for re-election.

No contracts of significance, to which the Association was a party and in which an executive committee members of the Association had a material interest, subsisted at the end of the year or at any time during the year.

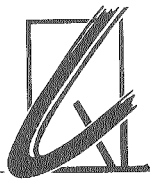
AUDITORS

A resolution for the reappointment of Lixin C.P.A. Limited as honorary auditors of the Association is to be proposed at the forthcoming annual general meeting.

By Order of the Executive Committee

Kan Kwok Kit

Hong Kong, 22 NOV 2006



**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE UNIVERSITY OF WARWICK AND THE HONG KONG POLYTECHNIC
UNIVERSITY MANUFACTURING ALUMNI ASSOCIATION LIMITED**

(Incorporated in Hong Kong with limited liability by guarantee)

We have audited the financial statements on pages 5 to 9 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of Executive Committee members and auditors

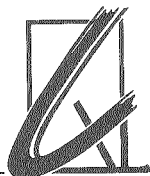
The Hong Kong Companies Ordinance requires the Executive Committee members to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

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 141 of 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.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

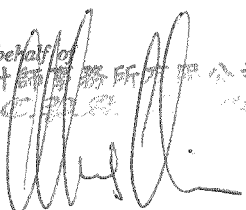
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.



Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the state of the company's affairs as at 31st March, 2006 and of its surplus and cash flow for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

For and on behalf of
立信會計師事務所有限公司
Lixin C.P.A. Limited



Authorized Signature(s)

CHIU CHI WING
Practising Certificate Number P01732
Lixin C.P.A. Limited

Hong Kong, 22 NOV 2006

**THE UNIVERSITY OF WARWICK AND THE HONG KONG POLYTECHNIC
UNIVERSITY MANUFACTURING ALUMNI ASSOCIATION LIMITED
(LIMITED BY GUARANTEE)**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2006**

| | <u>NOTE</u> | <u>2006</u> HK\$ | <u>2005</u> HK\$ |
|--|-------------|---------------------|---------------------|
| INCOME | | | |
| Membership fees | | 50,400 | - |
| (Deficit)/surplus from annual dinner | 3 | (1,346) | 7,409 |
| Bank interest | | 507 | 5 |
| Fund from WMG | | 40,531 | - |
| Other | | - | 3,910 |
| | | <u>90,092</u> | <u>11,324</u> |
| EXPENDITURE | | | |
| Advertisement | | 4,000 | 2,500 |
| Bank charges | | 300 | 240 |
| Business registration fee | | 2,600 | 2,600 |
| Executive forum | | 9,646 | - |
| Professional development day expenses | | - | 6,077 |
| Printing and stationery | | 1,452 | 722 |
| Sundry expenses | | 2,074 | 100 |
| Web site | | 531 | 5,200 |
| | | <u>20,603</u> | <u>17,439</u> |
| SURPLUS/(DEFICIT) BEFORE TAXATION | | 69,489 | (6,115) |
| TAXATION | 4 | - | - |
| SURPLUS/(DEFICIT) AFTER TAXATION | | 69,489 | (6,115) |
| ACCUMULATED FUND BROUGHT FORWARD | | <u>27,139</u> | <u>33,254</u> |
| ACCUMULATED FUND CARRIED FORWARD | | <u>96,628</u> | <u>27,139</u> |

The notes on page 8 to 9 form part of these financial statements.

**THE UNIVERSITY OF WARWICK AND THE HONG KONG POLYTECHNIC
UNIVERSITY MANUFACTURING ALUMNI ASSOCIATION LIMITED
(LIMITED BY GUARANTEE)**

BALANCE SHEET AT 31ST MARCH, 2006

| | <u>2006</u> HK\$ | <u>2005</u> HK\$ |
|----------------------------|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash at bank and in hand | 96,628 | 28,699 |
| CURRENT LIABILITIES | | |
| Accrued expense | - | (1,560) |
| NET ASSETS | <u>96,628</u> | <u>27,139</u> |
| Representing : | | |
| ACCUMULATED FUND | <u>96,628</u> | <u>27,139</u> |

Approved by the Executive Committee on 22 NOV 2006

Kan Kwok Kit

President

John

Treasurer

The notes on page 8 to 9 form part of these financial statements.

**THE UNIVERSITY OF WARWICK AND THE HONG KONG POLYTECHNIC
UNIVERSITY MANUFACTURING ALUMNI ASSOCIATION LIMITED
(LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2006**

| | <u>2006</u> HK\$ | <u>2005</u> HK\$ |
|---|---------------------|---------------------|
| NET CASH FLOW FROM OPERATING ACTIVITIES | | |
| Surplus/(deficit) before taxation | 69,489 | (6,115) |
| (Decrease)/increase in accrued expenses | <u>(1,560)</u> | <u>1,560</u> |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES | 67,929 | (4,555) |
| CASH AND CASH EQUIVALENTS AT 1 ST APRIL | <u>28,699</u> | <u>33,254</u> |
| CASH AND CASH EQUIVALENTS AT 31 ST MARCH | <u>96,628</u> | <u>28,699</u> |
| CASH AND CASH EQUIVALENTS | | |
| Cash at bank and in hand | <u>96,628</u> | <u>28,699</u> |

**THE UNIVERSITY OF WARWICK AND THE HONG KONG POLYTECHNIC
UNIVERSITY MANUFACTURING ALUMNI ASSOCIATION LIMITED
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NOTES ON THE ACCOUNTS

1. Status of the association

The Association was incorporated in Hong Kong under the Companies Ordinance as a company limited by guarantee on 2nd February, 1998. Pursuant to the provisions of the Association's memorandum, every member undertakes to contribute an amount not exceeding HK\$10 to the assets of the Association in the event of its being wound up.

2. Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Association is set out below.

(b) Basis of preparation of accounts

The measurement basis used in the preparation of the financial statements is historical cost.

(c) Revenue recognition

Membership fees and other income are recognised upon receipts.

3. (Deficit)/surplus from annual dinner

| | <u>2006</u> HK\$ | <u>2005</u> HK\$ |
|--|---------------------------|---------------------------|
| Proceeds from sale of tickets and donation | 32,600 | 18,840 |
| Lucky draw | <u>7,770</u> | <u>7,840</u> |
| Expenses | 40,370 <u>(41,716)</u> | 26,680 <u>(19,271)</u> |
| (Deficit)/surplus | <u>(1,346)</u> | <u>7,409</u> |

4. Taxation

No provision has been made for Hong Kong profits tax as not less than half of the income was received from members of the Association which is exempted from profits tax under Section 24(1) of the Inland Revenue Ordinance.

5. Committee members' emoluments

No fee or other emoluments was paid to committee members during this and preceding year.