



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)**

**EXECUTIVE COMMITTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

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**The University of Warwick and The Hong Kong Polytechnic
University Manufacturing Alumni Association Limited
Executive Committee's report**

The executive committee have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2009.

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 the University of Warwick and the graduates of the Warwick International Manufacturing Group of the University of Warwick.

Result

The surplus of the Association for the year ended 31 March 2009 and the state of the Association's affairs as at that date are set out in the financial statements on pages 3 to 10.

Executive Committee Members

The Executive Committee members of the Association during the financial year and up to the date of this report were:

Wong Yuk Lin, Jane	
Chiu Kung Ting, Thomas	
Choi Sau Fung, Lornnie	
Mak Hon Chung, Henry	
Lai Tin Hung	
Ho Man Ying	(Appointed on 7 th December, 2008)
Wong Lai Shan	(Appointed on 7 th December, 2008)
Yu Kin Kau	(Appointed on 7 th December, 2008)
Lee Wing Lim	(Resigned on 7 th December, 2008)
Wong Chi Wah	(Resigned on 7 th December, 2008)
Wong Yiu Cheong	(Resigned on 7 th December, 2008)

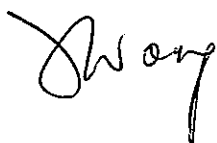
In accordance with article No. 37 of the Association's Articles of Association, all executive committee members shall retire from office, and shall be eligible for re-election.

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

Auditors

Lixin C.P.A. Limited retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Lixin C.P.A. Limited as the Association's auditors is to be proposed at the forthcoming annual general meeting.

By order of the Executive Committee



Hong Kong, 24 NOV 2009



Certified Public Accountants & Chartered Secretaries

**Independent auditor's report to the shareholders 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 of The University of Warwick And The Hong Kong Polytechnic University Manufacturing Alumni Association Limited set out on pages 3 to 10, which comprise the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive Committee Members' responsibility for the financial statements

The executive committee members 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

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 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 the report.

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 executive committee members, 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 March 2009 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards 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

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CHI CHI WING Authorized Signature(s)
Practising Certificate Number P01732
Lixin C.P.A. Limited

**The University of Warwick and The Hong Kong Polytechnic
 University Manufacturing Alumni Association Limited
 (Limited by Guarantee)
 Financial statements for the year ended 31 March 2009**

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**Income and expenditure statement for the year ended 31 March 2009
 (In Hong Kong dollars)**

	<u>Note</u>	<u>2009</u> HK\$	<u>2008</u> HK\$
Turnover	5	8,600	12,800
Other revenue	6	734	3,125
Other net income	6	16,762	14,352
Administrative expenses		<u>(7,027)</u>	<u>(10,230)</u>
Surplus before tax		19,069	20,047
Income tax expense	7	<u>-</u>	<u>-</u>
Surplus for the year		<u>19,069</u>	<u>20,047</u>

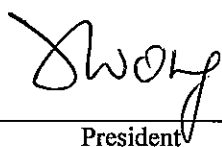
The notes on pages 7 to 10 are part of these financial statements.

**The University of Warwick and The Hong Kong Polytechnic
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 (Limited by Guarantee)
 Financial statements for the year ended 31 March 2009**

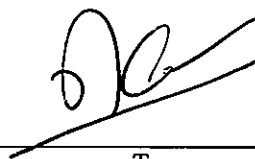
Balance sheet as at 31 March 2009
 (In Hong Kong dollars)

	<u>Note</u>	<u>2009</u> HK\$	<u>2008</u> HK\$
Current assets			
Other receivables		2,505	618
Cash and cash equivalents		<u>180,603</u>	<u>153,649</u>
		<u>183,108</u>	<u>154,267</u>
Current liabilities			
Accrued expenses		<u>12,350</u>	<u>2,578</u>
NET ASSETS		<u>170,758</u>	<u>151,689</u>
EQUITY			
Reserves	9	<u>170,758</u>	<u>151,689</u>

The financial statements were approved and authorised for issue by the Executive Committee on 24 NOV 2009



 President



 Treasurer

**The University of Warwick and The Hong Kong Polytechnic
University Manufacturing Alumni Association Limited
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Financial statements for the year ended 31 March 2009**

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**Statement of changes in equity for the year ended 31 March 2009
(In Hong Kong dollars)**

	Accumulated surplus HK\$
Balance at 1 April 2007	131,642
Changes in equity for 2007/08	
Surplus for the year	<u>20,047</u>
Balance at 31 March 2008	<u>151,689</u>
Balance at 1 April 2008	151,689
Changes in equity for 2008/09	
Surplus for the year	<u>19,069</u>
Balance at 31 March 2009	<u>170,758</u>

**The University of Warwick and The Hong Kong Polytechnic
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**Cash flow statement for the year ended 31 March 2009
(In Hong Kong dollars)**

	<u>2009</u> HK\$	<u>2008</u> HK\$
Cash flows from operating activities		
Surplus before tax	19,069	20,047
Adjustments for:		
- Bank interest received	(734)	(3,125)
Operating surplus before working capital changes	<u>18,335</u>	<u>16,922</u>
Increase in other receivable	(1,887)	(148)
Increase in accrued expenses	<u>9,772</u>	<u>2,309</u>
<i>Net cash from operating activities</i>	<u>26,220</u>	<u>19,083</u>
Cash flows from investing activities		
Interest received	<u>734</u>	<u>3,125</u>
<i>Net cash from investing activities</i>	<u>734</u>	<u>3,125</u>
Net increase in cash and cash equivalents	26,954	22,208
Cash and cash equivalents at beginning of the year	<u>153,649</u>	<u>131,441</u>
Cash and cash equivalents at end of the year	<u>180,603</u>	<u>153,649</u>

**The University of Warwick and The Hong Kong Polytechnic
University Manufacturing Alumni Association Limited
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**Notes to financial statements for the year ended 31 March 2009
(In Hong Kong dollars)**

1. General information

The University of Warwick and The Hong Kong Polytechnic University Manufacturing Alumni Association Limited (the Association) is a limited by guarantee company domiciled and incorporated in Hong Kong. The address of its registered office and principal place of business are EF611, Core F, The Hong Kong Polytechnic University, Hung Hom, Kowloon, Hong Kong. Its principal activities is to cooperate with and promote the best interests of graduates from IEBMP program jointly organised by the Hong Kong Polytechnic University and the University of Warwick and the graduates of the Warwick International Manufacturing Group of the University of Warwick.

Under the provisions of the Association's memorandum, every member shall, in the event of the Association being wound up, contribute such amount as may be required to meet the liabilities of the Association, but not exceeding HK\$10 each.

2. Statement of compliance with Hong Kong Financial Reporting Standards

The Association's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance. A summary of significant accounting policies is set out in note 3.

3. Summary of significant accounting policies

a. Basis of preparation of the financial statements

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

b. Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c. Revenue recognition

Membership fees and other income are recognised upon receipt.

Interest income is recognised using the effective interest method.

4. Critical accounting estimates and judgement

The Association's management makes assumptions, estimates and judgements in the process of applying the Association's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates. Certain key assumptions and risk factors in respect of the financial risk management are set out in note 10.

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Financial statements for the year ended 31 March 2009**

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5. Turnover

Turnover represents membership fees received during the year.

6. Other revenue

	<u>2009</u> HK\$	<u>2008</u> HK\$
Other revenue:		
Bank interest income	<u>734</u>	<u>3,125</u>
Other net income :		
Surplus from annual dinner	17,626	16,088
Surplus from Dongfeng Nissan visit	-	655
Deficit from Firework boat trip	-	(1,013)
Deficit from HK-SZ Western Corridor walk	-	(127)
Deficit from Polytechnic Alumni Homecoming carnival	-	(1,780)
Surplus from TTI Factories visit	-	529
Surplus from Organic Farm Eco Tour	140	-
Deficit from Seminar on Labour Contract Law in China	(963)	-
Deficit from Horde Riding and BBQ	<u>(41)</u>	<u>-</u>
	<u>16,762</u>	<u>14,352</u>

7. Income tax in the income statement

a. *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.*

b. *Reconciliation between tax expense and accounting surplus at applicable tax rates:*

	<u>2009</u> HK\$	<u>2008</u> HK\$
Surplus before tax	<u>19,069</u>	<u>20,047</u>
Tax at the applicable tax rate of 16.5% (2008: 17.5%)	3,146	3,508
Tax effect of non-taxable income	<u>(3,146)</u>	<u>(3,508)</u>
Income tax expense	<u>-</u>	<u>-</u>

c. *No provision for deferred taxation has been made as there is no material timing difference for the year and at the balance sheet date.*

8. Committee Members' remuneration

No fee or other emoluments was paid to Committee Members during this and preceding year.

**The University of Warwick and The Hong Kong Polytechnic
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9. Reserves

	Accumulated surplus HK\$
Balance at 1 April 2007	131,642
Surplus for the year	20,047
Balance at 31 March 2008	<u>151,689</u>
Balance at 1 April 2008	151,689
Surplus for the year	19,069
Balance at 31 March 2009	<u>170,758</u>

10. Financial instruments

The Association has classified its financial assets in the following categories:

	<u>Loans and receivables</u> HK\$
<u>2009</u>	
Cash and cash equivalents	<u>180,603</u>
<u>2008</u>	
Cash and cash equivalents	<u>153,649</u>

The Association has classified its financial liabilities in the following categories:

	<u>Financial liabilities at amortised cost</u> HK\$
<u>2009</u>	
Accrued expenses	<u>12,350</u>
<u>2008</u>	
Accrued expenses	<u>2,578</u>

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2008 and 2009.

The Association is exposed to credit risk, liquidity risk and market risk arising in the normal course of its business and financial instruments. The Association's risk management objectives, policies and processes mainly focus on minimizing the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

10. Financial instruments (continued)

a. Liquidity risk

The Association is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

Summary quantitative data

	<u>Not later than 1 month</u> HK\$
<u>2009</u>	
Accrued expenses	<u>12,350</u>
<u>2008</u>	
Accrued expenses	<u>2,578</u>

b. Market risk

Interest rate risk

The Association's exposure on fair value interest rate risk and cash flow interest rate risk which is mainly arising from its deposits with banks. The Association mainly holds deposits with banks and the exposure is considered not significant.

Summary quantitative data

	<u>2009</u> HK\$	<u>2008</u> HK\$
<u>Floating-rate financial assets</u>		
Cash at bank	<u>159,679</u>	<u>142,566</u>

No sensitivity analysis has been prepared for the years ended 31 March 2009 and 2008 as the change in interest rates has no material effect on the result and net assets of the Association.

11. Hong Kong Financial Reporting Standards issued but not yet effective for the year

HKFRSs that have been issued but are not yet effective for the year include the following HKFRSs which may be relevant to the Association's operations and financial statements:

	<u>Effective for annual periods beginning on or after</u>
HKAS 1 <i>Presentation of financial statements</i>	<u>1 January 2009</u>

The Association has not early adopted these HKFRSs. Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the Association's financial statements in the year of initial application. The Association will be continuing with the assessment of the impact of these HKFRSs and other significant changes may be identified as a result.

**The University of Warwick and The Hong Kong Polytechnic
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Financial statements for the year ended 31 March 2009**

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Detailed income statement for the year ended 31 March 2009

	<u>2009</u> HK\$	<u>2008</u> HK\$
INCOME		
Membership fees	8,600	12,800
OTHER INCOME		
Surplus from annual dinner	17,626	16,088
Surplus from Dongfeng Nissan visit	-	655
Deficit from Firework boat trip	-	(1,013)
Deficit from HK-SZ Western Corridor walk	-	(127)
Deficit from Polytechnic Alumni Homecoming carnival	-	(1,780)
Surplus from TTI Factories visit	-	529
Surplus from Organic Farm Eco Tour	140	-
Deficit from Seminar on Labour Contract Law in China	(963)	
Deficit from Horde Riding and BBQ	(41)	
Bank interest received	734	3,125
	<u>26,096</u>	<u>30,277</u>
ADMINISTRATIVE EXPENSES		
Advertisement	4,750	4,750
Bank charges	450	450
Business registration fee	450	2,600
Congregation luncheon	-	1,500
Printing and stationery	454	67
Sundry expenses	335	275
Web site	588	588
	<u>7,027</u>	<u>10,230</u>
SURPLUS FOR THE YEAR	<u>19,069</u>	<u>20,047</u>