

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

**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 2013**

Report
The report of the Association for the year ended 31 March 2013 and the state of the Association's affairs as at that date are set out in the financial statements on pages 7 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:

1. Mr. Chung Chee, Calvin

2. Mr. Ho Yung

3. Mr. Ho Yung, Patrick

4. Mr. Wong Ching, Lawrence

5. Mr. Cheung, Ming

6. Mr. Ho Yung, Patrick

7. Mr. Ho Yung, Patrick

8. Mr. Ho Yung, Patrick

9. Mr. Ho Yung, Patrick

10. Mr. Ho Yung, Patrick

(Appointed on 17 December 2012)

(Appointed on 17 December 2012)

(Resigned on 17 November 2012)

(Resigned on 17 November 2012)

In accordance with Article 22 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.

Signatures

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

By order of the Executive Committee

**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 2013.

Principal activities

The principal activities of the Association is to cooperate with and promote the best interests of graduates from IGDS 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 2013 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:

Luk Ching Chug, Gavin
Ho Man Ying
Choi Sau Fung, Lornnie
Kwok Wing Cheong, Lawrence
Kwong Chu Ming
Lui Oi Har, Frances
Wong Sai Fu, Laurie
Zhou Zhihui, Jeffrey
Wong Yuk Lin, Jane
Wong Yuen Ki, Yuki

(Appointed on 15 December, 2012)

(Appointed on 15 December, 2012)

(Resigned on 15 December, 2012)

(Resigned on 15 December, 2012)

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 auditor is to be proposed at the forthcoming annual general meeting.

By order of the Executive Committee





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 statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Committee Members' responsibility for the financial statements

The executive committee members are responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of the financial statements that give a true and fair view 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 2013 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

Authorized Signature(s)

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

Hong Kong, - 6 DEC 2013

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**The University of Warwick and The Hong Kong Polytechnic
University Manufacturing Alumni Association Limited
Financial statements for the year ended 31 March 2013**

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**Statement of comprehensive income for the year ended 31 March 2013
(In Hong Kong dollars)**

	<u>Note</u>	<u>2013</u> HK\$	<u>2012</u> HK\$
Turnover	6	9,700	6,400
Other revenue	7	12,865	14,609
Administrative expenses		(7,947)	(12,420)
Surplus before tax		<u>14,618</u>	<u>8,589</u>
Income tax expense	8	-	-
Surplus/total comprehensive income for the year		<u>14,618</u>	<u>8,589</u>

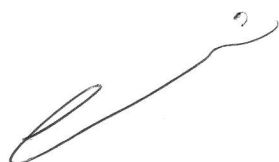
**The University of Warwick and The Hong Kong Polytechnic
University Manufacturing Alumni Association Limited
Financial statements for the year ended 31 March 2013**

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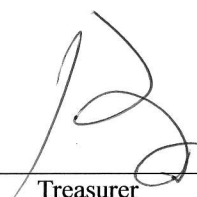
**Statement of financial position at 31 March 2013
(In Hong Kong dollars)**

	<u>Note</u>	<u>2013</u> HK\$	<u>2012</u> HK\$
Current assets			
Other receivables		7,200	420
Cash and cash equivalents		223,213	214,780
		<u>230,413</u>	<u>215,200</u>
Current liabilities			
Accrued expenses		<u>1,956</u>	<u>1,361</u>
NET ASSETS		<u>228,457</u>	<u>213,839</u>
EQUITY			
Reserves	10	<u>228,457</u>	<u>213,839</u>

The financial statements were approved and authorised for issue by the Executive Committee on - 6 DEC 2013



President



Treasurer

**The University of Warwick and The Hong Kong Polytechnic
University Manufacturing Alumni Association Limited
Financial statements for the year ended 31 March 2013**

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**Statement of changes in equity for the year ended 31 March 2013
(In Hong Kong dollars)**

	2013 HK\$	Accumulated surplus HK\$
Balance at 1 April 2011		205,250
Changes in equity for 2011/12		
Total comprehensive income for the year	14,589	8,589
Balance at 31 March 2012		<u>213,839</u>
Balance at 1 April 2012		213,839
Changes in equity for 2012/13		
Total comprehensive income for the year	14,618	14,618
Balance at 31 March 2013		<u>228,457</u>
Net cash from investing activities	21	21
Net increase in cash and cash equivalents	8,431	4,447
Cash and cash equivalents at beginning of the year	214,780	209,333
Cash and cash equivalents at end of the year	<u>223,211</u>	<u>214,780</u>

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Statement of cash flows for the year ended 31 March 2013
(In Hong Kong dollars)

	<u>2013</u> HK\$	<u>2012</u> HK\$
Cash flows from operating activities		
Surplus before tax	14,618	8,589
Adjustments for:		
- Bank interest received	(21)	(21)
Operating surplus before working capital changes	<u>14,597</u>	<u>8,568</u>
Decrease/(increased) in other receivable	(6,780)	3,380
Increase/(decrease) in accrued expenses	<u>595</u>	<u>(7,122)</u>
<i>Net cash from operating activities</i>	<u>8,412</u>	<u>4,826</u>
Cash flows from investing activities		
Interest received	<u>21</u>	<u>21</u>
<i>Net cash from investing activities</i>	<u>21</u>	<u>21</u>
Net increase in cash and cash equivalents	8,433	4,847
Cash and cash equivalents at beginning of the year	<u>214,780</u>	<u>209,933</u>
Cash and cash equivalents at end of the year	<u>223,213</u>	<u>214,780</u>

Notes to financial statements for the year ended 31 March 2013
(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. Change in accounting policies

In 2012, the Association initially applied the new and revised HKFRSs issued by the HKICPA that are first effective for accounting periods beginning on or after 1 January 2012, including :

- Amendments to HKAS 12 Income taxes – Deferred tax: recovery of underlying assets

The application of the new and revised HKFRSs has no material effects on the Association's financial performance and positions.

Amendments to HKAS 12 requires that, if a deferred tax liability or asset arises from investment property that is measured using the fair value model in HKAS 40 Investment property, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.

5. 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 11.

6. Turnover

Turnover represents membership fees received during the year.

7. Other revenue

	<u>2013</u> HK\$	<u>2012</u> HK\$
Bank interest income	21	21
Surplus from annual dinner	15,899	17,963
Deficit from seminar on Route to Professionalism	(1,700)	-
Deficit from seminar on How to Improve Business/Project Performance	(960)	-
Deficit from Entrepreneur Group Gathering	(395)	-
Deficit from Dialogue in the Dark Tour	-	(325)
Deficit from Team Building Work and BBQ	-	(3,170)
Surplus from Mai Po Nature Reserve Tour	-	120
	<u>12,865</u>	<u>14,609</u>

8. 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>2013</u> HK\$	<u>2012</u> HK\$
Surplus before tax	<u>14,618</u>	<u>8,589</u>
Tax at the applicable tax rate of 16.5% (2012 : 16.5%)	2,411	1,417
Tax effect of non-taxable income	<u>(2,411)</u>	<u>(1,417)</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 reporting date.

9. Committee Members' remuneration

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

10. Reserves

	Accumulated surplus HK\$
Balance at 1 April 2011	205,250
Total comprehensive income for the year	8,589
Income balance at 31 March 2012	<u>213,839</u>
Balance at 1 April 2012	213,839
Total comprehensive income for the year	14,618
Income balance at 31 March 2013	<u>228,457</u>

11. Financial instruments

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

	Loans and receivables HK\$
<u>2013</u>	
Other receivable	7,200
Cash and cash equivalents	223,213
	<u>230,413</u>
<u>2012</u>	
Other receivable	420
Cash and cash equivalents	214,780
	<u>215,200</u>

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

	Financial liabilities at amortised cost HK\$
<u>2013</u>	
Accrued expenses	<u>1,956</u>
<u>2012</u>	
Accrued expenses	<u>1,361</u>

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2012 and 2013.

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.

11. 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

	Not later than 1 month HK\$
<u>2013</u>	
Accrued expenses	<u>1,956</u>
<u>2012</u>	
Accrued expenses	<u>1,361</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>2013</u> HK\$	<u>2012</u> HK\$
<u>Floating-rate financial assets</u>		
Cash at bank	<u>223,213</u>	<u>207,213</u>

No sensitivity analysis has been prepared for the years ended 31 March 2012 and 2013 as the change in interest rate has no material effect on the result and net assets of the Association.

12. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2013

Up to the date of issue of these financial statements, the HKICPA has issued the amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2013 and which have not been adopted in these financial statements.

The Association is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Association's results of operations and financial position.

**The University of Warwick and The Hong Kong Polytechnic
University Manufacturing Alumni Association Limited
Financial statements for the year ended 31 March 2013**

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(For management purpose only)

Detailed income statement for the year ended 31 March 2013

	<u>2013</u> HK\$	<u>2012</u> HK\$
INCOME		
Membership fees	9,700	6,400
OTHER INCOME		
Surplus from annual dinner	15,899	17,963
Surplus from Mai Po Nature Reserve Tour	-	120
Deficit from seminar on Route to Professionalism	(1,700)	-
Deficit from seminar on How to Improve Business/Project Performance	(960)	-
Deficit from Entrepreneur Group Gathering	(395)	-
Deficit from Dialogue in the Dark Tour	-	(325)
Deficit from Team Building Workshop and BBQ	-	(3,170)
Bank interest received	21	21
	<u>12,865</u>	<u>14,609</u>
ADMINISTRATIVE EXPENSES		
Accounting fee	1,000	-
Advertisement	2,000	4,200
Bank charges	600	601
Business registration fee	450	2,450
Entertainment	3,000	3,050
Printing and stationery	-	331
Sundry expenses	309	1,200
Web site	588	588
	<u>7,947</u>	<u>12,420</u>
SURPLUS FOR THE YEAR	<u>14,618</u>	<u>8,589</u>