

YUEN LONG PUBLIC MIDDLE SCHOOL  
ALUMNI ASSOCIATION ENDOWMENT FUND LIMITED  
DIRECTORS' REPORT AND THE AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2017

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT  
INCOME AND EXPENDITURE ACCOUNT  
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杜紹昭會計師事務所

**S. C. TO & CO.**

CERTIFIED PUBLIC ACCOUNTANTS  
(PRACTISING)  
HONG KONG

**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND  
LIMITED**

**(A company limited by guarantee and not having a share capital)**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017**

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**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND  
LIMITED**

(A company limited by guarantee and not having a share capital)

**REPORT OF THE DIRECTORS**

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The directors hereby submit their annual report together with the audited financial statements of the company for the year ended 31st August 2017.

**PRINCIPAL ACTIVITIES**

The principal activity of the company is the maintenance of endowment fund to support financial activities of schools.

**BUSINESS REVIEW**

The company falls within reporting exemption for the financial year. Accordingly, the company is exempted from preparing a business review.

**DONATIONS**

During the year, the company made charitable donations totalling HK\$183,527.85.

**DIRECTORS**

The directors in office during the year and up to the date of this report are:

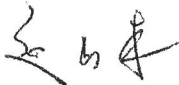
Keung Wai Wing  
Chan Ka Cheung  
Chan Wan Fai  
Cheung Yan Kwong  
Lam King Tong  
Lee Pui Lan  
Leung Hing Lin  
Man Chi Yam  
Ng Yu Yum  
Tang Hoi Kiu

In accordance with article 35 of the company's articles of association in connection with the retirement of directors by rotation, the existing director shall hold office for a term of 2 years and shall, retire and, being eligible, offer themselves for re-election.

**AUDITORS**

The auditors, S. C. TO & CO., Certified Public Accountants (Practising), retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Keung Wai Wing  
Chairman

Date: 28th March 2018

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION  
ENDOWMENT FUND LIMITED**

**(A company limited by guarantee and not having a share capital)**

**Opinion**

We have audited the financial statements of YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND LIMITED ("the Company") set out on pages 5 to 12, which comprise the statement of financial position as at 31st August 2017, and the income and expenditure account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements of the Company are prepared, in all material respects, in accordance with Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") 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") and with reference to Practice Note 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the directors' report, 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.



杜紹昭會計師事務所

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION  
ENDOWMENT FUND LIMITED (cont'd)  
(A company limited by guarantee and not having a share capital)**

**Responsibilities of Directors and Those Charged with Governance for the Financial Statements**

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA 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.

In preparing the financial statements, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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 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 liabilities to any other person for the contents of this report. 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company to cease to continue as a going concern.

**S. C. TO & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
(PRACTISING)

杜紹昭會計師事務所

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION  
ENDOWMENT FUND LIMITED (cont'd)  
(A company limited by guarantee and not having a share capital)**

We communicate with those charged with governance regarding, 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.



**S. C. TO & CO.**  
Certified Public Accountants (Practising)

Hong Kong, 28th March 2018

**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND  
LIMITED**

(A company limited by guarantee and not having a share capital)

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST AUGUST 2017**

	Note	2017 HK\$	2016 HK\$
<b>Income</b>		-	-
Other income	3	345,175.03	181,623.08
Administrative expenses		(193,617.85)	(91,394.48)
Other operating expenses		(66,266.26)	(2,835.24)
<b>Surplus before tax</b>	4	85,290.92	87,393.36
Income tax expense	6	-	-
<b>Surplus for the year</b>	9	85,290.92	87,393.36

The accompanying notes to the financial statements form an integral part of, and should be read in conjunction with, these financial statements.

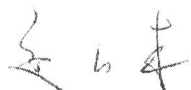
**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND  
LIMITED**


(A company limited by guarantee and not having a share capital)

**STATEMENT OF FINANCIAL POSITION  
AT 31ST AUGUST 2017**

	Note	2017 HK\$	2016 HK\$
<b>CURRENT ASSETS</b>			
Investments	7	<b>1,370,048.00</b>	1,669,265.00
Cash and bank balances		<b>1,541,889.24</b>	1,157,381.32
		<b>2,911,937.24</b>	2,826,646.32
<b>CURRENT LIABILITIES</b>			
Other creditors and accruals	8	<b>907,000.00</b>	907,000.00
<b>NET CURRENT ASSETS</b>		<b>2,004,937.24</b>	1,919,646.32
<b>TOTAL NET ASSETS</b>		<b>2,004,937.24</b>	1,919,646.32
<b>GENERAL FUNDS</b>			
Accumulated surpluses	9	<b>2,004,937.24</b>	1,919,646.32
<b>TOTAL FUNDS</b>		<b>2,004,937.24</b>	1,919,646.32

The financial statements on pages 5 to 12 were approved and authorised for issue by the Board of Directors on 28th March 2018 and are signed on its behalf by:

  
.....  
Keung Wai Wing  
Director

  
.....  
Chan Wan Fai  
Director

The accompanying notes to the financial statements form an integral part of, and should be read in conjunction with, these financial statements.



**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND LIMITED**

(A company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017**

**1. REPORTING ENTITY**

YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND LIMITED is a company limited by guarantee and not having a share capital. The company's registered office is located at No. 2, Town Park Road North, Yuen Long, N.T. The principal activity of the company is the maintenance of endowment fund to support financial activities of schools.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The company is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the "SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

**(a) Investments**

Current investments are stated at the lower of cost and net realisable value. Long-term investments are stated at cost less accumulated impairment losses.

**(b) Income tax**

No provision for Hong Kong profits tax is made in the financial statements as the company is a charitable institution which is exempted from profits tax under section 88 of the Inland Revenue Ordinance.

**(c) Foreign currencies**

The reporting currency of the company is Hong Kong Dollars, which is the currency of the primary economic environment in which the company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income and expenditure account.

**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND  
LIMITED**

**(A company limited by guarantee and not having a share capital)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017**

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**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (cont'd)**  
**(d) Recognition of revenue**

Revenue consists of turnover and other revenue but excludes the reversal of impairment and/or provision. Turnover comprises revenue generated from the principal activities of the company. Other revenue includes exchange gain (net of exchange loss) and gain on disposal of capital assets.

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the company and when the amount of revenue as well as costs incurred for the transaction can be measured reliable. Revenue is measured at fair value of the consideration received or receivable and is shown net of discounts, rebates, returns and sales-related taxes on the following bases:

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest rates applicable.

Dividend income is recognised when the shareholder's right to receive payment is established.

**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND LIMITED**

(A company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (cont'd)**

**(e) Related parties**

A related party is a person or entity that is related to the entity that is preparing its financial statements (the "reporting entity").

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**3. OTHER INCOME**

	<b>2017</b>	2016
	<b>HK\$</b>	HK\$
Interest received - bank	12.27	6.41
Dividends received from current listed investments	55,879.76	52,207.47
Gain on disposal of listed trading securities	57,200.00	-
Unrealised holding gain on listed trading securities	232,083.00	129,409.20
	<u>345,175.03</u>	<u>181,623.08</u>

**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND  
LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017**

**4. SURPLUS BEFORE TAX**

	<b>2017</b>	<b>2016</b>
	<b>HK\$</b>	<b>HK\$</b>
Surplus before tax is arrived at:		
<b>After charging:</b>		
Auditors' remuneration	5,000.00	5,000.00

**5. DIRECTORS' EMOLUMENTS**

The directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	<b>2017</b>	<b>2016</b>
	<b>HK\$</b>	<b>HK\$</b>
Fees	-	-
Directors' salaries, allowances and other benefits in kinds	-	-

**6. INCOME TAX EXPENSE**

No provision for Hong Kong profits tax is made in the financial statements as the company is a charitable institution which is exempted from profits tax under section 88 of the Inland Revenue Ordinance.

**7. INVESTMENTS**

	<b>2017</b>	<b>2016</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Trading securities:</b>		
Listed	1,370,048.00	1,669,265.00
<b>Market value of listed securities:</b>		
Trading securities	1,370,048.00	1,669,265.00
<b>Carrying amount analysed for reporting purpose as:</b>		
Current	1,370,048.00	1,669,265.00

**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017**

**8. OTHER CREDITORS AND ACCRUALS**

	<b>2017</b>	<b>2016</b>
	<b>HK\$</b>	<b>HK\$</b>
Accrued expenses	7,000.00	7,000.00
Amounts due to a related company	900,000.00	900,000.00
	<u>907,000.00</u>	<u>907,000.00</u>

Chan Wan Fai, Lam King Tong, Man Chi Yam and Tang Hoi Kiu, directors of the company, have beneficial interests in the related company.

The balances are unsecured, interest free and have no fixed terms of repayment.

**9. CHANGES IN EQUITY**

	<b>Accumulated surpluses HK\$</b>
Balance at 1st September 2015	1,832,252.96
Surplus for the year	87,393.36
Balance at 31st August 2016	<u>1,919,646.32</u>
Balance at 1st September 2016	1,919,646.32
Surplus for the year	85,290.92
Balance at 31st August 2017	<u>2,004,937.24</u>

**10. RELATED PARTY TRANSACTIONS**

Details of the company's significant balances with the following related parties as at 31st August 2017, are as follows:

	<b>2017</b>	<b>2016</b>
	<b>HK\$</b>	<b>HK\$</b>
Amounts due to a related company	<u>900,000.00</u>	<u>900,000.00</u>

Chan Wan Fai, Lam King Tong, Man Chi Yam and Tang Hoi Kiu, directors of the company, have beneficial interests in the related company.

The balances are unsecured, interest free and have no fixed terms of repayment.

**11. CONTINGENT LIABILITIES**

The company had no significant contingent liabilities as at 31st August 2017.

**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND  
LIMITED**

**(A company limited by guarantee and not having a share capital)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017**

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**12. CAPITAL COMMITMENTS**

The company had no significant capital commitment as at 31st August 2017.

**13. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year's accounts presentation.

**YUEN LONG PUBLIC MIDDLE SCHOOL ALUMNI ASSOCIATION ENDOWMENT FUND  
LIMITED**

(A company limited by guarantee and not having a share capital)

**DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST AUGUST 2017**

	2017	2016
	HK\$	HK\$
<b>INCOME</b>	-	-
<b>ADD: OTHER INCOME</b>		
Interest received - bank	12.27	6.41
Dividends received from current listed investments	55,879.76	52,207.47
Gain on disposal of listed trading securities	57,200.00	-
Unrealised holding gain on listed trading securities	232,083.00	129,409.20
	345,175.03	181,623.08
<b>TOTAL INCOME</b>	345,175.03	181,623.08
<b>LESS: ADMINISTRATIVE EXPENSES</b>		
Accountancy fee	2,000.00	2,000.00
Auditors' remuneration	5,000.00	5,000.00
Donations - charitable	183,527.85	81,324.48
Printing and stationery	390.00	820.00
Secretarial fee	2,700.00	2,250.00
	193,617.85	91,394.48
<b>LESS: OTHER OPERATING EXPENSES</b>		
Bank charges	3,066.26	2,835.24
Loss on disposal of listed trading securities	63,200.00	-
	66,266.26	2,835.24
<b>SURPLUS BEFORE TAX</b>	85,290.92	87,393.36

The above detailed income and expenditure account  
was prepared for management purposes only and  
does not form part of the audited financial statements

