

**WAH YAN COLLEGE KOWLOON PAST STUDENTS'
ASSOCIATION LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

WAH YAN COLLEGE KOWLOON PAST STUDENTS' ASSOCIATION LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Contents	Pages
Executive Committee's report	1 - 2
Independent auditors' report	3
Income statement	4
Balance sheet	5
Statement of changes in funds	6
Cash flow statement	7
Notes to the financial statements	8 - 10

The executive committee have pleasure in presenting their report together with the audited financial statements of the Association for the year ended 31 December 2007.

FINANCIAL STATEMENTS

The results for the year are set out in the income statement on page 4.

The state of affairs of the Association at 31 December 2007 is set out in the balance sheet on page 5.

The cash flows of the Association for the year are set out in the cash flow statement on page 7.

PRINCIPAL ACTIVITIES

The Association is established for the objective of promoting friendship and co-operation among past students of Wah Yan College Kowloon and a closer relationship between these past students, the college itself and the existing students thereof.

There have been no significant changes in the nature of these activities during the year.

EXECUTIVE COMMITTEE MEMBERS

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

Chak Siu Yin, Derick	
Chan Chi Ming, Alvin	
Chan Hing Yau, Philip	
Chan Li Wah, Watson	(retired on 2 June 2007)
Chan Yuk Lung, Bryan	
Chan Wa Fat	(elected on 2 June 2007)
Chau Chi Chung, Charles	
Chau Chiu Leung	(resigned on 9 January 2008)
Cheung Kin Kwong, Clement	(retired on 2 June 2007)
Chim Ting Cheong	
Cho Chun Long, Jack	
Chui Man Lung, Everett	
Chung Yuet Kan, Cecil	(appointed on 11 October 2007)
Fong Yiu Yuen, Joseph	(appointed on 11 October 2007)
Fong Wing Hong, Monty	(elected on 2 June 2007)
Ho King Tai	(elected on 2 June 2007)
Ho Siu Tong	(elected on 2 June 2007)
Ho Yun Kuen, John	(elected on 2 June 2007)
Kan Hok Lun, Alan	
Keung Yiu Ming, Stanislaus	
Ko Chi Chiu, Kevin	
Ko Man Ho, Gary	(elected on 2 June 2007)
Lau Ming Yum, Matthew	
Lau Wai Hung	(elected on 2 June 2007)
Law Wai Hung, Edmond	(appointed on 14 June 2007)
Lee Kin Man	(appointed on 14 June 2007)
Leung Kam Ming, Albert	
Lui Siu Lun, Alan	
Luk Chun Kin	(appointed on 14 June 2007)
Ng Fei Yeung	(elected on 2 June 2007)

EXECUTIVE COMMITTEE MEMBERS - continued

Siu Chak Yu	
Siu Chun Pong, Raymond	
Wong Chor Fung	(appointed on 14 June 2007)
Wong Hei Shing, Ernest	(retired on 2 June 2007)
Wong Ho Lung, Billy	
Wong Tze Shing, Milton	(elected on 2 June 2007)
Wu Wing Shing, Vincent	(elected on 2 June 2007)
Young Ying Chow, Victor	(elected on 2 June 2007)
Yeung, Zenon	(appointed on 13 September 2007)

In accordance with the Articles of Association, all executive committee members will retire at the forthcoming Annual General Meeting and, being eligible, are available for re-election.

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.

EXECUTIVE COMMITTEE MEMBERS' INTERESTS IN CONTRACTS

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

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Executive Committee



Chui Man Lung, Everett
Chairman

08 MAY 2008

Certified Public Accountants

蒲錦文會計師事務所

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WAH YAN COLLEGE KOWLOON PAST STUDENTS' ASSOCIATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)**

We have audited the financial statements of Wah Yan College Kowloon Past Students' Association Limited set out on pages 4 to 10, which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in funds and cash flow statement for the year then ended, and a summary of principal 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.

Auditors' responsibility

Our responsibility is to express an opinion on these 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 this 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 directors, 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 December 2007 and of its result 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.


WILLIAM PO & CO.

Certified Public Accountants

Hong Kong, 08 MAY 2008

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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 HK\$	2006 HK\$
Income			
Net programme (deficit)/surplus	3	(15,337)	112,036
"Joseph" Musical donation received		-	40,000
Membership subscriptions and donations		6,311	10,700
Souvenir sales		9,780	14,120
St. Francis Xavier's Chapel donation received		-	126,000
Sundry income		-	3,860
Wah Yan Plus Card donation received		1,400	46,017
		<u>2,154</u>	<u>352,733</u>
Less: Expenditure			
Awards to outstanding students		3,000	3,000
Bank charges		570	620
Business registration fee		2,600	2,600
Courier and postage		1,074	-
Membership fee		780	-
Shield donation paid		2,000	2,000
"Joseph" Musical receipts donated to			
Father Kelly Education Fund Limited		-	40,000
St. Francis Xavier's Chapel donation paid		-	126,000
Donation paid to Father Kelly Education Fund Limited		100,000	-
Other donations paid		9,850	-
Penalty		300	-
Printing and stationery		1,073	15
Souvenir		-	5,200
Sundry expenses		4,342	2,021
Telephone charges		-	120
Transportation		300	-
Travelling expenses		-	4,923
Wah Yan Plus Card expenses		-	7,441
Warehouse fee		-	1,800
		<u>125,889</u>	<u>195,740</u>
(Deficit)/surplus for the year		<u>(123,735)</u>	<u>156,993</u>

BALANCE SHEET
AS AT 31 DECEMBER 2007

	Notes	2007 HK\$	2006 HK\$
Current assets			
Account receivables		-	37,520
Prepayments		780	-
Cash and bank balances		189,323	275,090
		<u>190,103</u>	<u>312,610</u>
Current liabilities			
Accruals and other payables	6	46,860	45,632
		<u>143,243</u>	<u>266,978</u>
Net assets			
		<u>143,243</u>	<u>266,978</u>
Funds			
General fund		<u>143,243</u>	<u>266,978</u>

Approved by:



Chui Man Lung, Everett
Chairman



Chan Chi Ming, Alvin
Honorary Treasurer

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 HK\$	2006 HK\$
General fund brought forward	266,978	109,985
(Deficit)/surplus for the year	(123,735)	156,993
General fund carried forward	<u>143,243</u>	<u>266,978</u>

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 HK\$	2006 HK\$
Operating activities			
(Deficit)/surplus for the year		(123,735)	156,993
Decrease in account and other receivables		37,520	27,880
Increase/(decrease) in accruals and other payables		1,228	(45,137)
Net cash (outflow)/inflow from operations		<u>(84,987)</u>	<u>139,736</u>
(Decrease)/increase in cash and cash equivalents		(85,767)	139,736
Cash and cash equivalents at the beginning of the year		<u>275,090</u>	<u>135,354</u>
Cash and cash equivalents at the end of the year		<u><u>189,323</u></u>	<u><u>275,090</u></u>
Analysis of cash and cash equivalents			
Cash on hand		10,400	-
Cash at bank		178,923	275,090
		<u><u>189,323</u></u>	<u><u>275,090</u></u>

1 GENERAL

The Association is incorporated in Hong Kong under the Companies Ordinance as a company with limited liability. The Association's registered office is located at Wan Yan College, Kowloon, 56 Waterloo Road, Kowloon. The Association is established for the objective of promoting friendship and co-operation among past students of Wah Yan College Kowloon and a closer relationship between these past students, the college itself and the existing students thereof.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs" which term collectively include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKAS) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Association. There have been no significant changes to the accounting policies applied in these financial statements as a result of these developments. However, as a result of the adoption of HKFRS 7, Financial Instruments: Disclosures and the amendment to HKAS 1, Presentation of Financial Statements: Capital Disclosures, there have been certain additional disclosures in notes 7 and 8.

The Association has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) Recognition of revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when revenue can be measured reliably, on the following bases:

- * donations are recognised when the right to receive payment is established.
- * on the rendering of services, on an appropriate basis over the relevant period in which the services are rendered.
- * on the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Association maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- * membership fee is recognised when the right to receive the fee is established.

(c) Account and other receivables

Account and other receivables are initially recognised at fair value and thereafter measured at amortised cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the income

(d) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and cash on hand and are subject to insignificant risk of changes in value.

2 PRINCIPAL ACCOUNTING POLICIES - continued

(e) Accruals and other payables

Accruals and other payables are measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost.

3 NET PROGRAMME (DEFICIT)/SURPLUS

	2007 HK\$	2006 HK\$
INCOME		
Annual General Meeting dinner	17,100	20,500
Christmas ball/party	-	591,500
Francis Kong Memorial Book sales	2,773	-
Golf Day	-	27,280
Starlight Subscription	1,620	3,208
Wah Yan League	22,800	14,000
	44,293	656,488
LESS: EXPENDITURE		
Annual General Meeting dinner	20,200	25,460
Christmas ball/party expenses	-	448,732
Golf Day expenses	-	27,378
Student ambassador visit	13,630	18,572
Surplus of Starlight publication paid to Father Kelly Education Fund Limited	-	10,000
Referee fee & expenses of Wah Yan League	25,800	14,310
	59,630	544,452
Net programme (deficit)/surplus for the year	(15,337)	112,036

4 TAXATION

No provision for Hong Kong profits tax has been made as the Association is not subject to profits tax by virtue of Section 24(1) of the Inland Revenue Ordinance.

5 EXECUTIVE COMMITTEE MEMBERS' EMOLUMENTS

During the years ended 31 December 2007 and 31 December 2006, no amounts have been paid in respect of executive committee members' emoluments, executive committee members' or past executive committee members' pensions or for any compensation to executive committee members' or past executive committee members' in respect of loss of office.

6 ACCRUALS AND OTHER PAYABLES

	2007	2006
	HK\$	HK\$
Accruals	33,160	45,632
Deposit received	7,200	-
Receipts in advance	6,500	-
	46,860	45,632
	46,860	45,632

7 FINANCIAL RISKS AND MANAGEMENT

The Association's activities expose it to various kinds of financial risks: foreign currency risk, credit risk, interest rate risk and liquidity risk. The Association's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the Association by closely monitoring the individual exposure as follows:

* Foreign currency risk

The Association is not exposed to any significant foreign currency risk as its revenue and expenses are predominately in Hong Kong dollars.

* Credit risk

The Association has no significant account receivables and minimal credit risk.

* Interest rate risk

As the Association has no significant interest bearing assets and liabilities, the Association's income and operating cash flows are substantially independent of changes in market interest rates.

* Liquidity risk

The Association's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

8 CAPITAL MANAGEMENT

Capital comprises general fund stated on the balance sheet. The Association's objective when managing capital is to safeguard its ability to continue as a going concern.

The Association manages capital by regularly monitoring its current and expected liquidity requirements.

9 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Association's Executive Committee on 8 May 2008.

Wah Yan College Kowloon Past Students' Association Limited

AUDIT ADJUSTMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

		Deficit per client		HK\$
		DR.	CR.	(110,809.55)
		HK\$	HK\$	
1.	Donation paid	106,350.00		
	Sponsorship	5,500.00		
	Donation paid to FR. Kelly Education Fund Limited		100,000.00	
	Shield donation paid		2,000.00	
	Other donations paid		9,850.00	
	Being reallocation of expenses.			
2.	Membership fee	780.00		
	Prepayments	780.00		
	Sundry expenses		1,560.00	780
	Being reallocation of membership fee of World Union for the year 2007 and 2008.			
3.	Penalty	300.00		
	Business registration fee		300.00	
	Being reallocation of expenses.			
4.	Courier and postage	795.00		
	Francis Kong Memory Book - Exp		795.00	
	Being reallocation of expenses.			
5.	Starlight subsscription (income)	560.00		
	No. 56 Starlight (cost of sales)		560.00	
	Being reallocation of accounts.			

Wah Yan College Kowloon Past Students' Association Limited

**AUDIT ADJUSTMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

		Deficit per client		HK\$ (110,809.55)
		DR. HK\$	CR. HK\$	
6.	No. 56 Starlight (cost of sales) Accruals	6.00	6.00	(6.00)
Being understated of accrued expense of Starlight publication.				
7.	Basketball League (income) Receipts in advance	6,500.00	6,500.00	(6,500.00)
Being enrolment fee for the year 2008 received from teams wrongly posted as income.				
8.	Football League (income) Deposits received	7,200.00	7,200.00	(7,200.00)
Being deposits received from soccer teams wrongly posted as income.				
		Deficit per audit		(123,735.55)

We approve the above 8 audit adjustments and shall incorporate them in the Association's general ledger.

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Chairman