

# HKUEFPA Annual Report 2011-2012

**Hon. President:** Dr. Y.F. Luk  
School of Economics and Finance  
The University of Hong Kong

**Hon. Advisors:**

Dr. Alex Chan	Dr. Konan Chan
Dr. Onn Chan	Prof. Eric Chang
Dr. Michael Chau	Prof. K.C. Fung
Dr. Stephen Ching	Dr. Victorius Hung
Dr. Xiaohui Gao	Prof. Wing Suen
Dr. Zhigang Li	Dr. Maurice Tse
Dr. Dragon Tang	Prof. Keith Wong
Dr. Raymond Tse	Dr. C.W. Yuen
Mr. Patrick Ho	

**Hon. Legal Advisor:** Mr. Henry Leung

**Hon. Auditor:** Chan Siu Tsang, *Certified Public Accountant*

## The Committee of HKUEFPA 2011-2012:

**Chairman:** Ms. Zhou Yun (MFin 2008)

**Vice Chairlady:** Ms. Liu Wei Wei (MEcon 2012)

**Honorary Secretary:** Ms. Qian Chen (MFin 2012)

**Honorary Treasurer:** Ms. Yan Zhen Mei (MEcon 2010)

## Committee Members:

Mr. Wang Xing Chen	(MEcon 2012)
Mr. Fan Guang Mao	(MEcon 2012)
Ms. Cheng Xu Jing	(MEcon 2012)
Dr. Kate Kwan	(MFin 2003)
Ms. Ma Rui	(MFin 2012)
Ms. Liu Xing	(MFin 2012)
Mr. Victor Chan	(MFin 2011)

**Registered Address:** Room 1025, KK Leung Building  
The University of Hong Kong  
Pok Fu Lam, Hong Kong

# HKUEFPA Annual Report 2011-2012

## Report from the Chairman 2011-2012

Dear Members of HKUEFPA,

It is with great pleasure that I report to you a very successful and fruitful term of 2011-12 for the Association. All activities of the Association during the term are faithfully detailed in the rest of the Annual Report and all financial figures likewise in the Audited Financial Statements. Here, I shall take the opportunity to discuss issues that call for special mention.

### **Networking**

The first stated goal in our Memorandum of Association is to facilitate networking among our current and past students via hosting various HKU postgraduate economics and finance programs and this has been a major focus of the Committee over the past 12 months. A diverse range of events, such as hotpot dinner, happy hours, boat trips, fun days and the 3rd Master Debate Championship as well as the 5th Annual High Table Dinner (now a well established tradition) were organised to provide opportunities suited to the different preferences of our members and students.

International as our programs are, our students came from around the world and likewise, many graduated to deploy their talent in different places outside Hong Kong. The Committee has also maintained our perspectives global and, with the help of enthusiastic alumni, we managed to host networking event in Shanghai. These are only the first steps to expand our reach globally with the aim to serve everywhere our talented graduates and I'm happy to report that we are currently in the progress of setting up more overseas chapters, such as in Macau, Shenzhen, Guangzhou and Philippines etc.

### **Member's involvement**

Our continued effort in member recruitment saw rapid growth in our membership, currently totaling more than 1,100 with 197 new additions during this term and continuing to grow. The efforts of our Committee Members alone are certainly not adequate to effectively serve such a large constituent. To improve our service as well as to provide more opportunities for other members to participate in the Association's operations, we started a volunteer program to recruit and work with a number of member volunteers whose involvement were flexible and adjusted to their own availabilities.

These volunteers have provided invaluable assistances to the Committee's work, including the organisation of the HKUEFPA Masters Debate Championship, the High Table Dinner and Orientation Camp as well as an "offshore" networking event in Shanghai. They also proved to be effective channels for the Committee to better understand the needs of our members. We are most grateful for their help and with much success achieved so far, we are continuing to expand the volunteer program. Any members who are interested to help but cannot be committed as a Committee Member are welcome to contact us at [enquiry@hkuefpa.org](mailto:enquiry@hkuefpa.org).

# **HKUEFPA Annual Report 2011-2012**

## **Report from the Chairman 2011-2012 (cont'd)**

### **Identity building**

In order to build a strong Association, a strong sense of belonging among our members is essential. We have devoted much effort in establishing our clear group identity as economic and finance postgraduates from the HKU, one of the best universities in the world. All of our communications and events carry the clear designation of HKUEFPA. A zip-up hoody sporting the HKU insignia, the School's and the Association's name has also been produced alongside our all-time HKU-logoed polo shirt. Well received by our members, these hoodies and polo shirts would constantly serve as a smart reminder for their affiliation with HKU, the School and our Association.

### **Career management**

Another constant, major focus of the Committee has been career management assistance for our students. Ever since our inception, we have worked closely with the School and invited experienced alumni and recent graduates to share their understanding in career search with our students at the start of every school term and this year is no exception. Similarly, academics and industry professionals were also invited to help our members to better understand the industries from different perspectives. To better assist our members with career search and self promotion, we helped produce name cards for them. All in all, career search and management are certainly one of the utmost important concerns of our members, and the Association will certainly continue to collaborate closely with the School to strengthen our work in this area.

### **Promoting studies of economics and finance**

The HKUEFPA Masters Debate Championship, our annual academic competition between the MEcon and MFin programs in both Hong Kong and Shenzhen, was held in February as our proud tradition to promote studies of economics and finance. Our students took this excellent opportunity and showcased their talent for the judging panel, which comprised both faculty member and experienced finance professionals, many of whom being industry leaders taking key roles at different financial institutions. We also continue to publish quarterly HKUEFPA newsletters with contributions from professors, committee members and our association members in order to keep us all updated on association events as well as industry excitements in a timely manner.

### **Financial management**

The Association has continued to waive all application and membership fees to minimise the financial burden of our members. While fully supported by the School with subsidies for selected events and free use of facilities, the lack of membership fee income added to the necessity for careful and prudent financial management to ensure future development of the Association. All administrative expenses were minimised and charges levied for our events such as boat trips, fun days, happy hours and high table dinner to cover the respective expenses and, where appropriate, to generate a nominal margin to finance other events that would not have their own income, such as the Masters Debate Championship. Sale of name cards and souvenir items such as polo shirts and insignia zip-up hoodies mentioned above also provided much needed surplus.

# HKUEFPA Annual Report 2011-2012

## Report from the Chairman 2011-2012 (cont'd)

### Farewell remarks

It has undoubtedly been a great privilege and honour for me to have the opportunity to serve you all as the Chairman of the HKUEFPA during the term of 2011 - 2012. As the term draws to a close, I would like to take this opportunity to express my heartfelt gratitude to all current and past Committee Members for their time, advices, efforts, dedication and sacrifices; and to the School, Program Office, students and Association members for their opinions, guidance, trust and support. Having been a long-term member of the Association, I'm most grateful that with the great help from the School altogether with our member and friends, we have made our Association possible, witnessed its taking shape and laid a solid foundation. It is now a good time for me to pass the torch on to a new leadership and retire to provide my unreserved support as an ex-official member of the Committee.

*United we stand, divided we fall* is the Association's raison d'être and we depend on the participation of every one of you. If you are interested to contribute, I strongly encourage you to come forward to be a Committee Member or a volunteer. I am sure that with your continuous support, the new administration will be blessed with even more successes in serving our members, students, alumni and our Alma Mater. Thank you!

Yours sincerely,

**Zhou Yun**  
Chairman  
2011-12

# HKUEFPA Annual Report 2011-2012

## Major Events and Activities

### 1. Committee Meetings

A total of 9 Committee Meetings were held during the term. All matters relating to the Association were raised and discussed during these meetings. Attendance of the Committee Members for the meetings is as follows:

		<u>Attendance</u>
Chairman:	Ms. ZHOU Yun	9 meetings
Vice-Chairlady:	Ms. LIU Wei Wei	8 meetings
Honorary Secretary:	Ms. QIAN Chen	9 meetings
Honorary Treasurer:	Ms. YAN Zhen Mei	6 meetings
Committee Members:	Mr. CHAN Chi Hoi	6 meetings
	Ms. CHENG Xu Jing	5 meetings
	Mr. FAN Guang Mao	6 meetings
	Dr. Kate KWAN	3 meetings
	Ms. LIU Xing	8 meetings
	Ms. MA Rui	7 meetings
	Mr. WANG Xing Chen	5 meetings

### 2. List of events and activities

#### 2012

5 Oct &

21 Sep

#### **Career Search Series – Job Search Experience Sharing I & II**

Students who have gone through the job search process in the past year were invited to share their experiences and tips on conducting a successful job search.

14 Sep

#### **Career Search Series – Intro to Investment Banking Application**

Mr. Eddie Liu, Executive Director of Human Resources at Nomura International (Hong Kong) with coverage for Fixed Income, shared both a local view and his global perspectives, including insights into search strategies, common pitfalls.

7 Sep

#### **Career Talk Series – Introduction to Career Search**

Students have been introduced to the various resources available at HKU as well as how to prepare and manage their career search process during their study at HKU. This talk was a prerequisite for attending all later talks in the series.

2 Sep

#### **HKUEFPA Joint MEcon/MFin Orientation 2012**

This was a joint MEcon/MFin orientation with fun-filled games designed to help network with future classmates of the two programs. Alumni from the two programs shared first-hand insider experiences of how to get the best out of studies at HKU and prepare for career/further studies afterwards.

# HKUEFPA Annual Report 2011-2012

## Major Events and Activities (cont'd)

### 2. List of events and activities (continued)

**16 Jun HKUEFPA Networking Happy Hour in Shanghai**

With the help of enthusiastic alumni, our “offshore” happy hour held outside Hong Kong for students and alumni to meet up in Shanghai to wine, dine and network.

**8 Jun Experience Sharing with Shenzhen students**

Chairman Zhou Yun, alumni Tony Chen, Winston Hu and Flora Meng shared their experiences working in the finance industry with students from the Shenzhen MFin program during their stay at HKU.

**19 May HKUEFPA Summer Boat Trip 2012**

Over 40 students from the MFin and MEcon programs enjoyed a fine day out on the beaches and seas near Sai Kung, Hong Kong.

**21 April High Table Dinner 2012**

For the fifth year, HKUEFPA, together with the School, hosted the annual High Table Dinner on 21 April at the Happy Valley Racecourse Hong Kong Jockey Club. Over 160 alumni, students and faculty members from the MEcon, MFin, MBA and PhD programs, including those from Shenzhen, together with our honored guests joined Professor Eric C. Chang, Dean of Faculty of Economics and Finance, and Professor Keith K. P. Wong, Director of School of Economics and Finance, for a wonderful evening of networking and reunion. The theme of the evening was “Embracing Challenges and Shaping the Future”. This was to encourage our members to learn how to evaluate each and every single aspect of the numerous dynamics in the world with a global vision in order to better shape the future. A prize giving ceremony for the HKUEFPA Masters Debate Championship 2012 was also held during the dinner for the winners and participants of the event.

**24 Mar HKUEFPA Happy Hour Networking Drink**

Alumni and current students from the MFin, MEcon and MBA programs enjoyed a wonderful night networking atop IFC mall, Central Hong Kong.

**18 Feb & 25 Feb HKUEFPA Masters Debate Championship 2012**

The Masters Debate Championship was held between the four elite HKU Master programs of MBA, MEcon and the two MFin programs (HK and Shenzhen) with the aims of promoting their interactions as well as encouraging the research and understanding of current issues in economics and finance.

**11 Feb HKUEFPA Introduction to Professional English Debating Skills**

Mr. Wesley Wong, Deputy Director of Public Prosecutions of the HKSAR Department of Justice, provided a briefing generally on the art and science of English debating for beginners, and essential debate techniques and strategies.

# HKUEFPA Annual Report 2011-2012

## Major Events and Activities (cont'd)

### 2. List of events and activities (continued)

- 4 Feb**      **HKUEFPA Introduction to Public Presentation Skills**  
By Dr. Xiaoying (Grace) Xie, currently a teaching consultant and the program coordinator of Business Communication in the School of Business at The University of Hong Kong, students were introduced to effective presentation and public speaking skills that were extremely useful in many aspects of work and life.
- 13 Jan**      **HKUEFPA New Year Hotpot**  
Over 40 students and alumni networked around a nice hot pot dinner against the winter cold to celebrate the New Year.
- 17 Jan**      **HKUEFPA Economics and Finance Movies Series – ‘INSIDE JOB’**  
9 students from MEcon and Undergrad attended the movie screening on Main Campus.
- 2011**
- 17 Dec**      **HKUEFPA Christmas Gathering in Shanghai**  
Alumni enjoyed a fun-filled Christmas gathering with fellow HKU economics and finance postgraduates in Shanghai.
- 16 Dec**      **HKUEFPA Job Search Experience Sharing – Successful Transition**  
Three alumni shared with students their experiences and tips in making successful career transitions. Speakers include Helen Ni (risk management consulting, D-Fine), Zhou Yun (equity research, Citigroup), Sean Gao (Fixed income, GF Asset Management) and Bosco Hui (investment banking, Citigroup).
- 26 Nov**      **HKUEFPA Happy Hour Networking Drink**  
Alumni and current students from the MFin, MEcon and MBA programs enjoyed a wonderful night networking at Red Bar atop IFC mall, central, Hong Kong.

### 3. Admission of new members

A total of 197 new members were admitted to the Association during the period, bringing the total membership to 1,142.

**HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**

香港大學經濟及金融學研究生暨校友會有限公司

**(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2012**



## **HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

For the year ended 30 June 2012

### **REPORT OF THE DIRECTORS**

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 30 June 2012.

### **PRINCIPAL PLACE OF BUSINESS AND ACTIVITIES**

HKU Economics and Finance Postgraduates Association Limited (the "Association") is a company incorporated in Hong Kong with liability limited by guarantee and has no share capital. The address of its registered office is Room 1025, KK Leung Building, The University of Hong Kong, Pok Fu Lam, Hong Kong. The Association's principal activities, as per the Association's Memorandum of Association are, *inter alia*, to foster and promote close relationships and better understanding among the past and present Economics and Finance postgraduate students of the University of Hong Kong as well as to maintain, promote and cultivate friendship among the Members of the Association and in its connection, provide all kinds of sports or pastimes and promote, give or support dinners, balls, concerts and other entertainment.

### **RESULTS**

The financial results of the Association for the year ended 30 June 2012 are set out on page 5 of the financial statements.

### **RESERVES**

Movements in the reserves of the Association during the year are set out on page 7 of the financial statements.

### **DIRECTORS**

The Board of Directors (the "Board") during the year and up to the date of this report comprise:-

Ms Zhou Yun	(elected as Chairman and retired as Hon. Secretary on 22 Oct 2011)
Miss Liu Weiwei	(elected as Vice-Chairman and retired as Committee Member on 22 Oct 2011)
Miss Qian Chen	(elected as Committee Member on 22 Oct 2011, appointed as Hon. Secretary on 5 Nov 2011)
Miss Yan Zhenmei	(elected as Hon. Treasurer on 22 Oct 2011)
Mr Chan Chi Hoi	(Committee Member, retired and re-elected the as same on 22 Oct 2011)
Miss Cheng Xujing	(Committee Member, elected on 22 Oct 2011)
Mr Fan Guangmao	(Committee Member, elected on 22 Oct 2011)
Miss Liu Xing	(Committee Member, elected on 22 Oct 2011)
Miss Ma Rui	(Committee Member, elected on 22 Oct 2011)
Mr Wang Xingchen	(Committee Member, elected on 22 Oct 2011)
Dr Kate Kwan	(Immediate Past Chairman, Ex-Officio Committee Member, retired as Chairman on 22 Oct 2011)
Mr Hui Tien Ruey Bosco	(Vice-Chairman, retired on 22 Oct 2011)
Miss Ho Yuen Wan	(Hon. Treasure, retired on 22 Oct 2011)
Mr Chao Weng Hou	(Committee Member, retired on 22 Oct 2011)
Miss Feng Qi	(Committee Member, retired on 22 Oct 2011)
Miss Johanne Sing	(Committee Member, retired on 22 Oct 2011)
Mr Ho Jing Kan Patrick	(Ex-officio Committee Member, retired on 22 Oct 2011)

In accordance with the Association's Articles of Association, all of the existing directors shall retire from the Board at the forthcoming Annual General Meeting and be eligible for re-election.

**HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)  
For the year ended 30 June 2012

**DIRECTORS' INTERESTS**

No contracts of significance in relation to the Association's business to which the Association was a party and in which a Director of the Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**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.

On behalf of the Board

**Zhou Yun**

Chairman

HONG KONG, 22 November 2012

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)  
For the year ended 30 June 2012

I have audited the financial statements of HKU Economics and Finance Postgraduates Association Limited (the "Association") set out on pages 5 to 13, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Directors' responsibilities for the financial statements**

The directors of the Association 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 disclosure requirements of 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 responsibilities**

My responsibility is to express an opinion on these financial statements based on my audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report.

I conducted my audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)  
For the year ended 30 June 2012

**Opinion**

In my opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 30 June 2012 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with Hong Kong Financial Reporting Standards and the Hong Kong Companies Ordinance.

**Chan Siu Tsang**  
Certified Public Accountant  
Suite 1605, Queen's Place  
74 Queen's Road Central  
Hong Kong

Dated this 22 November 2012

**HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)  
For the year ended 30 June 2012

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 HK\$	2011 HK\$
<b>INCOME</b>			
Donation income	5	-	149,520
Income from various functions and activities	6	118,296	101,220
Foreign exchange gain		457	969
Interest Income		<u>104</u>	<u>73</u>
		<u>118,857</u>	<u>251,782</u>
<b>EXPENDITURE</b>			
Bank charges		300	450
Business registration and filing fee		2,758	555
Expenses for various functions and activities	6	102,798	87,063
Sundry expenses		<u>160</u>	<u>646</u>
		<u>106,016</u>	<u>88,714</u>
<b>SURPLUS FOR THE YEAR</b>		<u>12,841</u>	<u>163,068</u>

The notes on pages 9 to 13 form part of these financial statements.

**HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)  
For the year ended 30 June 2012

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2012**

	Note	2012 HK\$	2011 HK\$
<b>CURRENT ASSETS</b>			
Accounts receivable	9	24,350	21,750
Cash and cash equivalents		187,843	191,067
Inventories	10	<u>7,716</u>	<u>7,386</u>
<b>Net assets</b>		<u>219,909</u>	<u>220,203</u>
<b>EQUITY</b>			
Accumulated funds		<u>217,684</u>	<u>204,843</u>
<b>Total equity</b>		217,684	204,843
<b>CURRENT LIABILITIES</b>			
Current account with directors	11	<u>2,225</u>	<u>15,360</u>
<b>Total equity and liabilities</b>		<u>219,909</u>	<u>220,203</u>

Approved and authorised for issue by the Board of Directors on 22 November 2012

**Zhou Yun**  
\_\_\_\_\_  
Chairman

**Yan Zhenmei**  
\_\_\_\_\_  
Honorary Treasurer

The notes on pages 9 to 13 form part of these financial statements.

**HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)  
For the year ended 30 June 2012

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2012**

	Accumulated Funds HK\$	Total HK\$
<b>Balance at 30 June 2010</b>	41,775	41,775
Surplus for the year	163,068	163,068
<b>Balance at 30 June 2011</b>	<u>204,843</u>	<u>204,843</u>
Surplus for the year	12,841	12,841
<b>Balance at 30 June 2012</b>	<u>217,684</u>	<u>217,684</u>

The notes on pages 9 to 13 form part of these financial statements.

**HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)  
For the year ended 30 June 2012

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 HK\$	2011 HK\$
<b>Cash flows from operating activities</b>		
Surplus for the year	12,841	163,068
Adjustments for:		
Increase in accounts receivables	(2,600)	(10,050)
Increase in inventories	(330)	(7,344)
Foreign exchange gain	(457)	(969)
Interest income	(104)	(73)
(Decrease)/increase in current account with directors	(13,135)	15,360
	-----	-----
<b>Net cash used in operating activities</b>	<u>(3,785)</u>	<u>159,992</u>
	-----	-----
<b>Cash flows from investing activities</b>		
Interest received	104	73
	-----	-----
<b>Net cash from investing activities</b>	<u>104</u>	<u>73</u>
	-----	-----
<b>Net (decrease)/increase in cash and cash equivalents</b>	(3,681)	160,065
<b>Cash and cash equivalents at beginning of financial year</b>	191,067	30,033
Effect of exchange rate changes on the balance of cash held in foreign currency	457	969
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<b>Cash and cash equivalents at end of financial year</b>	<u>187,843</u>	<u>191,067</u>

The notes on pages 9 to 13 form part of these financial statements.



# **HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

For the year ended 30 June 2012

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. STATUS OF THE ASSOCIATION**

The Association is a company incorporated in Hong Kong with liability limited by guarantee and has no share capital. The address of its registered office is Room 1025, KK Leung Building, The University of Hong Kong, Pok Fu Lam, Hong Kong.

Every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the Association contracted before he ceases to be a member, and the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories among themselves, such amount as may be required, save, not exceeding \$100.

The Association is engaged in fostering and promoting close relationships and better understanding among the past and present Economics and Finance postgraduate students of the University of Hong Kong, cultivating friendship among the Members of the Association as well as promoting the studies, research and education of Economics and Finance.

The financial statements are presented in Hong Kong dollars, which is also the functional currency of the Association.

### **2. PRINCIPAL ACCOUNTING POLICIES**

#### **(a) Basis of preparation of the financial statements**

For the purpose of compliance with section 122 of the Hong Kong Companies Ordinance, the financial statements have been prepared to present a true and fair view of the state of affairs and income and expenditure of the Association. Consequently, they are prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”, which collectively includes Hong Kong Accounting Standards 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.

The measurement basis used in the preparation of the financial statements is historical cost, except for the financial instruments which are stated at fair value.

The preparation of financial statements, in conformity with HKFRSs, requires the Board to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

There is no area involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

**2. PRINCIPAL ACCOUNTING POLICIES (continued)**

**(b) Standards, amendments and interpretations to existing standards that are not yet effective**

Up to the date of this report, a number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 June 2012, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Association.

**(c) Accounts receivable**

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income. Impairment loss is reversed in subsequent years when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**(d) Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

**(f) Inventories**

Inventories are carried at lower of cost and net realisable value. Cost is determined using the weighted average cost formula and comprises costs of purchase incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

**HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)  
For the year ended 30 June 2012

**2. PRINCIPAL ACCOUNTING POLICIES (continued)**

**(g) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**(h) Revenue recognition**

Income from functions and activities and transfer from the HKU Economics and Finance Postgraduates Committee are recognised on a time-apportioned basis over the year to which they relate.

**3. CAPITAL MANAGEMENT**

The Association is a company limited by guarantee and has no share capital. The Association considers its capital to be the accumulated funds. The Association's primary objectives when managing its accumulated funds is to safeguard the Association's ability to continue as a going concern, so that it can continue to provide support and protect the interest of its members. The Association's capital management practices were consistent with its objectives during the year. The Association is not subject to any externally imposed capital requirements.

**4. FINANCIAL RISK MANAGEMENT**

The Association's major financial instruments include accounts receivable and cash at bank and on hand. No sensitivity analysis or other quantitative disclosure relating to each type of risk arising from the financial instrument is presented as the Board considers there is no material financial risks exposure to the Association.

**(a) Credit risk**

The Association does not have any significant credit risk with respect to its receivables. The maximum exposure to credit risk is represented by the carrying amount of accounts receivable. The Association's bank balances are deposited in internationally reputable banks and as such, no significant credit risk is anticipated.

**(b) Foreign currency risk**

The Association operates in Hong Kong and is not exposed to any material foreign currency risk as majority of the transactions and financial assets are denominated in its functional currencies.

## HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

For the year ended 30 June 2012

### 4. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Interest rate risk

Interest rate risks are risks that fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Apart from the bank balances denominated in Hong Kong dollars and Renminbi which carry interest rates at market rates, the Association has no other interest-bearing borrowings and its operating cash flows are substantially independent of changes in market interest rate.

#### (d) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. The Association's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves and cash balances to meet its liquidity requirements in the short and longer term. The current financial strength poses no threat of liquidity to the Association.

#### (e) Price risk

As the Association has no other major financial assets other than accounts receivable and cash at bank and on hand, the directors of the Association consider the price risk for such are minimal.

### 5. DONATION INCOME

No donation income was received during the year. Donation income received during the year ended 30 June 2011 comprised entirely of a non-recurring/one-off ex-gratia donation by Dr Onn Chan who is an Honorary Member of the Association.

### 6. SURPLUS FROM VARIOUS FUNCTIONS AND ACTIVITIES

	2012			2011		
	Income HK\$	Expenditure HK\$	Surplus/ (Deficit) HK\$	Income HK\$	Expenditure HK\$	Surplus/ (Deficit) HK\$
High Table Dinner	83,711	(73,992)	9,719	64,043	(58,300)	5,743
Name Card Printing	3,860	(3,256)	604	-	-	-
Orientation Day	8,200	(7,730)	470	-	-	-
Polo Shirt Sale	12,375	(6,034)	6,341	23,027	(11,424)	11,603
Summer Boat Cruise	9,950	(9,082)	868	8,300	(8,082)	218
	-----	-----	-----	-----	-----	-----
	118,096	(100,094)	18,002	95,370	(77,806)	17,564
Hot Pot Dinner(net surplus)	200	-	200	5,850	(5,049)	801
Company Visit	-	-	-	-	(480)	(480)
Logo Design Competition	-	-	-	-	(500)	(500)
Masters Debate Championship	-	(2,658)	(2,658)	-	(3,180)	(3,180)
Talks	-	(46)	(46)	-	(48)	(48)
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	<u>118,296</u>	<u>(102,798)</u>	<u>15,498</u>	<u>101,220</u>	<u>(87,063)</u>	<u>14,157</u>

## **HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**

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### **7. DIRECTORS' REMUNERATION**

None of the Directors received any emoluments in respect of their services rendered to the Association during the year.

### **8. INCOME TAX**

Section 24(1) of the Inland Revenue Ordinance specifies that any person carries on a club or similar institution which receives from its members not less than half of its gross receipts on revenue account (including entrance fees and subscriptions), such person shall be deemed not to carry on a business; but where less than half of its gross receipts are received from members, the whole of the income from transactions both with members and others (including entrance fees and subscriptions) shall be deemed to be receipts from a business, and such person shall be chargeable in respect of the profits therefrom.

The Association is exempt from Hong Kong profits tax by virtue of Section 24(1) of the Inland Revenue Ordinance.

### **9. ACCOUNTS RECEIVABLE**

The carrying amount of accounts receivable approximates to its fair value. The Directors of the Association are of the opinion that no impairment of accounts receivable is necessary.

### **10. INVENTORIES**

Inventories comprise entirely of finished goods of polo shirts at cost.

### **11. CURRENT ACCOUNT WITH DIRECTORS**

	2012	2011
	HK\$	HK\$
Payments received on behalf of the Association	-	(3,300)
Expenses paid on behalf of the Association	<u>2,225</u>	<u>18,660</u>
	<u>2,225</u>	<u>15,360</u>

Current accounts with directors comprise expenses of the Association that directors paid on its behalf and pending reimbursement by the Association.

### **12. AUDITOR'S REMUNERATION**

The audit of these financial statements has been performed on an honorary basis.

### **13. MATERIAL CHANGE IN FINANCIAL POSITION**

The Board confirms that there has been no material adverse change in the financial position since 30 June 2012, being the date of the last audited financial results.

### **12. COMPARATIVE FIGURES**

Certain comparative figures of last year have been reclassified to conform to the current year's presentation.