

Report of the Directors

Audited Financial Statements

**St. Francis Xavier's College
Alumni Association Limited**

聖芳濟書院校友會有限公司

31 July 2010

ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

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ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

REPORT OF THE DIRECTORS

The directors herein present their report and the audited financial statements of the Company for the year ended 31 July 2010.

Principal activities

The Company is a non-profit making organization and the principal activities of the Company during the year have consisted of organizing charitable activities for members and public.

Results

The Company's surplus for the year ended 31 July 2010 and its state of affairs at that date are set out in the financial statements on pages 4 to 10.

Directors

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

Kung Kwong Pui Joseph
Chow Ka Po
Cheung Kai Fai Keith
Wong Kwan Nam
Chan Kin Cheung Kelvin

In accordance with the Company's Articles of Association, all the directors shall hold office for two years and, being eligible, offer themselves for re-election.

Directors' interests

At no time during the year was the Company a party to any arrangements to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the Company.

Directors' interests in contracts

No director had a significant beneficial interest in any contract of significance to the business of the Company to which the Company was a party during the year.

Auditors

Messrs. Au & Partners, Certified Public Accountants retires and a resolution for their reappointment as honorary auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

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Chairman

Hong Kong
19 November 2010

REPORT OF THE AUDITORS

To the Members of
St. Francis Xavier's College Alumni Association Limited
(Incorporated in Hong Kong with limited by guarantee and not having a share capital)

We have audited the financial statements of St. Francis Xavier's College Alumni Association Limited set out on pages 4 to 10 which comprise the company balance sheet as at 31 July 2010, the statement of income and accumulated surplus and the cash flow statement 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 Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with the Hong Kong Financial Reporting Standards for Private Entities 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.

Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audit. 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 judgement, 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.

REPORT OF THE AUDITORS (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 July 2010 and of its surplus and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards for Private Entities and have been properly prepared in accordance with the Companies Ordinance.

AU & PARTNERS
Certified Public Accountants
Hong Kong
19 November 2010

ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

STATEMENT OF INCOME AND ACCUMULATED SURPLUS

Year ended 31 July 2010

	Notes	2010 HK\$	2009 HK\$
INCOME	2	24,051	2,250
Administrative and other operating expenses		<u>(12,366)</u>	<u>(3,905)</u>
SURPLUS/(DEFICIT) BEFORE TAX	3	11,685	(1,655)
Income tax expenses	4	<u>(1,229)</u>	<u>-</u>
SURPLUS/(DEFICIT) FOR THE YEAR		10,456	(1,655)
Accumulated deficit at beginning of year		<u>(4,238)</u>	<u>(2,583)</u>
ACCUMULATED SURPLUS/(DEFICIT) AT END OF YEAR		<u><u>6,218</u></u>	<u><u>(4,238)</u></u>

ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

BALANCE SHEET

31 July 2010

		2010 HK\$	2009 HK\$
CURRENT ASSETS			
Cash and cash equivalents	5	<u>21,317</u>	<u>9,632</u>
		<u>21,317</u>	<u>9,632</u>
CURRENT LIABILITIES			
Due to a director	6	13,870	13,870
Tax payable		<u>1,229</u>	<u>-</u>
		<u>15,099</u>	<u>13,870</u>
NET CURRENT ASSETS/(LIABILITIES)		<u><u>6,218</u></u>	<u><u>(4,238)</u></u>
RESERVES			
Accumulated surplus/(deficits)		<u><u>6,218</u></u>	<u><u>(4,238)</u></u>

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Director

.....
Director

ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

CASH FLOW STATEMENT

Year ended 31 July 2010

	Notes	2010 HK\$	2009 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) before tax		11,685	(1,655)
Decrease in trade payables		-	(4,600)
Increase in amounts due to a director		<u>-</u>	<u>13,870</u>
Cash generated from operating activities	 <u>33.8: 7</u>	<u>7,615</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		<u>9,632</u>	<u>2,017</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	<u><u>21,317</u></u>	<u><u>9,632</u></u>

ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS

31 July 2010

REPORTING ENTITY

St. Francis Xavier's College Alumni Association Limited is a company incorporated in Hong Kong with limited by guarantee and not having a share capital. The liability of the members is limited to HK\$100 per member in the event of the Company being wound up, whilst they remain a member, or within one year after they cease to be a member.

The Company's registered office is located at 45 Sycamore Street, Tai Kok Tsui, Kowloon, Hong Kong. The Company is a non-profit making organization and principal activity is organizing charitable activities for members and public.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost.

Cash and cash equivalents

Cash and cash equivalents includes cash on hands, demand deposits and other short term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the balance sheet.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income and retained earnings because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation is recognized on temporary difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary difference. Deferred tax assets are recognized for all deductible temporary differences, to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except the deferred tax assets relating to the deductible temporary differences arises from the initial recognition of an asset or liabilities and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS

31 July 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Revenue recognition

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

- (a) income from fund raising and donations are entered in the financial statements on cash basis; and
- (b) on the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer; provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

2. INCOME AND REVENUE

Income represents the selling income of goods sold, net of returns and discounts. Income and revenue recognised by category are as follows:

	2010 HK\$	2009 HK\$
Concert income	20,422	-
Donation income	-	1,635
Sales of souvenirs	1,580	-
Surplus of Basin Feast & Soccer Competition	-	615
Surplus of farewell dinner	<u>2,049</u>	<u>-</u>
Income and revenue	<u>24,051</u>	<u>2,250</u>

ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS

31 July 2010

3. SURPLUS/(DEFICIT) BEFORE TAX

Surplus/(deficit) before tax is arrived at after charging:

	2010 HK\$	2009 HK\$
Auditors' remuneration	-	-
Directors' remuneration:		
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

4. INCOME TAX EXPENSES

The provision for Hong Kong profits tax is calculated at 16.5% (2009: Nil) of the estimated assessable profit for the year.

	2010 HK\$	2009 HK\$
Provision for the year– Hong Kong	1,928	(237)
Tax losses utilized from previous periods	(699)	-
Tax losses not recognized	<u>-</u>	<u>237</u>
	<u>1,229</u>	<u>-</u>

Income tax expenses differs from the amount that would result from applying the tax rate of 16.5% (both 2009 and 2010) to profit before tax mainly because the deferred tax assets have not been recognized in respect of tax losses carried forward as it is not probable that sufficient future taxable profits will be available against which the unused tax losses can be utilized.

5. CASH AND CASH EQUIVALENTS

	2010 HK\$	2009 HK\$
Cash and bank balances	<u>21,317</u>	<u>9,632</u>

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	2010 HK\$	2009 HK\$
Cash and cash equivalent	<u>21,317</u>	<u>9,632</u>

ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS

31 July 2010

6. DUE TO A DIRECTOR

The amount due to a director is unsecured, interest-free and has no fixed terms of repayment.

7. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 19 November 2010.

THE FOLLOWING SCHEDULE DOES NOT FORM PART OF THE
AUDITED FINANCIAL STATEMENTS

ST. FRANCIS XAVIER'S COLLEGE ALUMNI ASSOCIATION LIMITED

DETAILED INCOME AND EXPENDITURE

(For Management Information Only)

Year ended 31 July 2010

	2010 HK\$	2009 HK\$
INCOME		
Concert income	20,422	-
Donation income	-	1,635
Sales of souvenirs	1,580	-
Surplus of Basin Feast & Soccer Competition	-	615
Surplus of farewell dinner	<u>2,049</u>	<u>-</u>
	24,051	2,250
ADMINISTRATION AND OPERATING EXPENSES		
Bank charges	300	-
Business registration fee	450	450
Deficit of Soccer Competition	1,916	-
Flower basket	950	550
Insurance	-	1,900
Printing and stationery	950	-
Registration fee	3,500	1,005
Uniform	<u>4,300</u>	<u>-</u>
	<u>12,366</u>	<u>3,905</u>
PROFIT/(LOSS) BEFORE TAXATION	<u><u>11,685</u></u>	<u><u>(1,655)</u></u>