

KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee presents herewith its annual report and the audited financial statements of the Association for the year ended 31 December 2008.

REGISTRATION

The Association is registered under the Societies Ordinance in Hong Kong in name of "Kowloon Technical School Alumni Association". The Association was removed from the Societies Ordinance on 6 October 2008 upon the incorporation of "Kowloon Technical School Alumni Association Limited".

PRINCIPAL ACTIVITIES

The principal activities of the Association are to promote and organise activities and welfare functions to the alumni and acting as a bridge between the alumni and Kowloon Technical School.

ACCOUNTS

The results of the Association for the year ended 31 December 2008 and the state of affairs of the Association as at 31 December 2008 are set out in the accompanying financial statements.

SCHOLARSHIP AND SUBSIDY PAID

During the year, no scholarship was paid (2007: HK\$26,600).

EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members who held office during the year and up to the date of this report were:

Mr. Yip Chau Kwai	<Chairman>	Mr. Chow Chee Ming	<Deputy Chairman>
Mr. Law Kwong Chau	<Hon. Treasurer>		
Ms. Ho Woon Ping	<Hon. Secretary>		
Mr. Hui Yee Kwok		Mr. Lee Siu Fai	
Mr. Kan Kam Yuen		Mr. Mak Li Ho	
Mr. Leung Siu Kwong		Mr. Chan Kin Leong	
Mr. Leung Shing Hin		Mr. Leung Man Kin	
Mr. Szeto Wing Kwok		Mr. Poon Po Keung	
Mr. Chan Kai Leung		Mr. Woo Lap Fai	
Mr. Chan Tak Wai		Mr. Siu Yat Wang	
Mr. Ma Wui Leung			

In accordance with the Association's Articles of Association, all Executive Committee members shall retire after a term of two years of their election.

KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION

REPORT OF THE EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE MEMBERS' INTERESTS

No contracts of significance to which the Association was a party and in which a Executive Committee member had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year, except the income received by the Association in the ordinary course of business, such as subscription fees and donations etc.

MANAGEMENT CONTRACTS


No contract concerning the management and administration of the Association were entered into or existed during the year.

HONORARY AUDITORS

The financial statements for the year have been audited by Messrs. C. F. Chu & Co., Certified Public Accountants.

The Hon. Auditors, Messrs. C. F. Chu & Co., Certified Public Accountants, retire and, being eligible, offer themselves for reappointment.

On Behalf of the Executive Committee



Chairman
Hong Kong,
11 MAY 2009

C. F. Chu & Co.

Certified Public Accountants Hong Kong

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九龍安樂樓

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION (registered in Hong Kong under Societies Ordinance)

We have audited the financial statements of Kowloon Technical School Alumni Association set out on pages 5 to 11, which comprise the balance sheet as at 31 December 2008, and the income and expenditure account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant 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. 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 responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, 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 Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee Members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

C. F. Chu & Co.
Certified Public Accountants Hong Kong

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION**
(registered in Hong Kong under Societies Ordinance)

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Association as at 31 December 2008 and of its results and cashflows of the Association for the year then ended in accordance with Hong Kong Financial Reporting Standards.



C. F. Chu & Co.
Certified Public Accountants
Hong Kong
11 MAY 2009

C. F. Chu & Co.

Certified Public Accountants Hong Kong

朱展帆
會計師行KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 HK\$	2007 HK\$
INCOME			
Subscription fee income		100	3,640
Surplus from alumni functions		-	217
Sundry income		-	100
Bank interest income		980	12,746
		<u>1,080</u>	<u>16,703</u>
EXPENDITURE			
Advertisement		-	1,500
Bank charge		300	300
Domain and web hosting		-	562
Repairs and maintenance		-	7,055
Scholarship		-	26,600
		<u>300</u>	<u>36,017</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>780</u>	<u>(19,314)</u>


The annex notes form an integral part of these financial statements.


C. F. Chu & Co.
Certified Public Accountants Hong Kong

KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION
BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 HK\$	2007 HK\$
CURRENT ASSETS			
Accounts receivable		-	2,762
Bank balances		12,140	545,260
		12,140	548,022
CURRENT LIABILITIES			
Accounts payable and accrued expenses		12,140	-
NET ASSETS		-	548,022
REPRESENTED BY			
Accumulated surplus - page 8	6	-	252,252
Donation held on trust - page 8	7	-	295,770
		-	548,022

Approved and authorised for issue by the Executive Committee On 11 MAY 2009


Chairman


Hon. Treasurer

The annex notes form an integral part of these financial statements.

C. F. Chu & Co.
Chartered Public Accountants Hong Kong

KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 HK\$	2007 HK\$
Cash flows from operating activities		
Surplus/(Deficit) for the year	780	(19,314)
Adjustments for:		
Bank interest income	(980)	(12,746)
Operating loss before working capital change	(200)	(32,060)
Decrease in accounts receivable	2,762	4,611
Increase/(Decrease) in accounts payable and accrued expenses	12,140	(10,910)
Cash generated from / (used in) operations	14,702	(38,359)
Investing activities		
Bank interest income	980	12,746
	15,682	(25,613)
Financing activities		
(Decrease)/Increase in donation received held on trust	(295,770)	125,000
Decrease in accumulated surplus on amount transferred to Kowloon Technical School Alumni Association Limited	(253,032)	-
(Decrease)/Increase in cash and cash equivalent	(533,120)	99,387
Cash and cash equivalents at beginning of the year (note)	545,260	445,873
Cash and cash equivalents at end of the year (note)	12,140	545,260
Note: Analysis of the balances of cash and cash equivalents		
- Cash at bank		
Saving account	3,548	536,368
Current account	8,592	8,892
	12,140	545,260

C. F. Chu & Co.
Certified Public Accountants Hong Kong

KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

	Accumulated Surplus	Donation held on trust	Total
	HK\$	HK\$	HK\$
Balance as at 31 December 2006	271,566	170,770	442,336
Donation received held on trust during the year	-	125,000	125,000
Deficit for the year	(19,314)	-	(19,314)
Balance as at 31 December 2007	252,252	295,770	548,022
Surplus for the year	780	-	780
Donation held on trust transferred to KTSAA Foundation Limited (note 7)	-	(295,770)	(295,770)
Accumulated surplus transferred to Kowloon Technical School Alumni Association Limited (note 6)	(253,032)	-	(253,032)
Balance as at 31 December 2008	-	-	-

KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION

NOTES TO THE ACCOUNTS – 31 DECEMBER 2008

1. REGISTRATION AND PRINCIPAL ACTIVITIES

- (a) The Association is registered under the Societies Ordinance in Hong Kong in name of “Kowloon Technical School Alumni Association”. The registered office of the Association is located at 332-334 Cheung Sha Wan Road, Kowloon. The principal activities are to promote and organise activities and welfare functions to the alumni and acting as a bridge between the alumni and Kowloon Technical School.
- (b) “Kowloon Technical School Alumni Association Limited” was incorporated on 8 April 2008 and all the assets held by the Association were transferred to “Kowloon Technical School Alumni Association Limited” during the year.
- (c) The Association was removed from the Societies Ordinance on 6 October 2008 upon the incorporation of “Kowloon Technical School Alumni Association Limited”.

2. STATEMENT OF COMPLIANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS

The Association’s financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong, that include Hong Kong Financial Reporting Standards (HKFRSs). A summary of significant accounting policies is set out in note 3.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The measurement basis used in preparing the financial statements is historical cost.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, 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 experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Executive Committee Members, the Association does not have any significant exposure to credit, liquidity, interest rate and currency risks arising in the normal course of the Association’s operations.

C. F. Chu & Co.

Certified Public Accountants Hong Kong

KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION

NOTES TO THE ACCOUNTS – 31 DECEMBER 2008

3. PRINCIPAL ACCOUNTING POLICIES – CONT'D

(b) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decision. Parties are also considered to be related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(c) Recognition of revenue

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

- i. Membership and subscription fee and donation received are recognised on cash basis.
- ii. Activities and functions fee income are recognised on completion basis.
- iii. Bank interest income is recognised using the effective interest method.

(d) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, bank overdrafts which are repayable on demand form an integral part of the company's cash management are included as a component of cash and cash equivalents.

(e) Trade and other receivables

Trade and other receivables are stated at their original invoiced amount or cost less impairment losses for bad and doubtful debts, if any.

4. TAXATION

The Association is not subjected to tax under the Inland Revenue Ordinance in Hong Kong.

5. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

No members of the Executive Committee of the Association receive any fees or other remuneration for serving as a member of the Executive Committee.

C. F. Chu & Co.

Certified Public Accountants Hong Kong

KOWLOON TECHNICAL SCHOOL ALUMNI ASSOCIATION

NOTES TO THE ACCOUNTS – 31 DECEMBER 2008

6. ACCUMULATED SURPLUS

According to Executive Committee Meeting and Extraordinary General Meeting held on 30 March 2008, it was resolved that a company “Kowloon Technical School Alumni Association Limited” will be incorporated and the existing Association will be dissolved and deregistered within 6 months after the new company formation. All the assets held by the Association will be transferred to “Kowloon Technical School Alumni Association Limited” upon its incorporation.

“Kowloon Technical School Alumni Association Limited” was incorporated on 8 April 2008 and the Association was removed from the Societies Ordinance on 6 October 2008. All the accumulated surplus was transferred to “Kowloon Technical School Alumni Association Limited” during the year.

7. DONATION HELD ON TRUST

This represents the fund raised in the 45th Anniversary Dinner on 17 December 2006 and the total amount as promised would be around to 1.3 million Hong Kong Dollars. A trust will be established to manage the fund for the following purposes:

- (i) Provision of Kowloon Technical School education development
- (ii) Support the students with financial needs
- (iii) Provision of scholarship or grants to students with academic excellence so that they will stay in Kowloon Technical School to pursue further study

The trust “KTSAA Foundation Limited.” was incorporated on 2 April 2008. The money held on trust was transferred to the trust during the year.

8. RELATED PARTY TRANSACTIONS

The Association had no related party transaction during the year except the income received from the Executive Committee Members in the ordinary course of business, such as subscription fees and donations, etc.

9. REMOVE FROM THE SOCIETIES ORDINANCE

The Association was removed from the Societies Ordinance on 6 October 2008.

10. COMPARATIVE FIGURES

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