

HKUEFPA Annual Report 2008-2009

Hon. President: Dr. Y.F. Luk
Director, 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

Hon. Legal Advisor: Mr. Henry Leung

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



The Committee of HKUEFPA 2008-2009:

Chairman: Mr. Ho Jing Kan Patrick (MFin 2007)

Vice Chairlady: Dr. Kate Kwan (MFin 2003)

Honorary Secretary: Mr. Wang Chao (MEcon 2008)

Honorary Treasurer: Mr. Hui Tien Ruey Bosco (MFin 2008)

Committee Members: Miss. Cao Yuanyuan (MEcon)
Mr. Chan Cheuk Wing Kevin (MEcon 2008)
Miss. Fung Hoi Ki Heidi (MEcon)
Mr. Gao Xin (MEcon)
Mr. Hwang Chi Wai William (MFin 2003)*
Miss. Jin Jing (MFin)
Mr. Tse Ho Kin (MEcon)
Mr. Tse Si Yin John (MFin 2004)
Mr. Tse Yueng Wah (MFin)
Miss. Wang Chunchun (MEcon)
Miss. Zhou Yun (MFin 2008)

**Note: Mr. Hwang Chi Wai William resigned from office as a Committee Member on 20 May 2009.*

Registered Address: Room 1026, KK Leung Building
The University of Hong Kong
Pok Fu Lam, Hong Kong

HKUEFPA Annual Report 2008-2009

Report from the Chairman 2008-2009

Dear Members of HKUEFPA,

In January 2008 twelve enthusiastic students and alumni from the Master of Finance and Master of Economics programs came together and formed the HKU Economics and Finance Postgraduates Committee (“HKUEFPC”) with the mission to foster closer relationship between the students, alumni and faculty of the two postgraduate programs. With strong support from the School of Economics and Finance (the “School”) from the very beginning, HKUEFPC organised a series of career and professional talks as well as various social and networking events such as hot pot dinner, boat cruise and golf fun day for our postgraduates. Together with the School, HKUEFPC also co-hosted the first Economics and Finance Postgraduates High Table Dinner in September 2008.

With the commencement of the 2008-09 academic year, HKUEFPC was recomposed and its members expanded to 15. To ensure its long-term development and enhance its operation transparency, HKUEFPC was transformed into an association and officially incorporated on 21 November 2008 as **HKU Economics and Finance Postgraduates Association Ltd** (the “Association”), a company with liability limited by guarantee. The 15 HKUEFPC members formed the Executive Committee (“Committee”) of the Association and the Chairman, Vice-Chairlady, Hon. Secretary and Hon. Treasurer were elected. The Association also strengthened its ties with the School significantly with the honor of having Dr. Y.F. Luk, Director of the School of Economics and Finance as Honorary President and 16 faculty members of the School as Honorary Advisors. We also gained official recognition as an alumni association of the University.

Upon incorporation, the Association began accepting membership from students and alumni from postgraduate programs with substantial Economics and Finance concentrations at The University of Hong Kong. Our memberships are open to students and alumni from the programs of Master of Economics, Master of Finance, Master of Business Administration as well as Master of Philosophy in Economics/Finance and Doctor of Philosophy in Economics/Finance. To date, we have a membership of 451 and growing.

In the following period, the Association hosted for our members, students and alumni a range of activities, details of which can be found in the following list of events and activities. Talks on career search and the global financial crisis were held to assist our students and alumni as the markets unraveled during the past year. To help our students explore opportunities on the mainland, we assisted the Career Development Office to arrange a gathering for our students and alumni in Beijing during their company visit trip in April. Later the same month, we also organised a whole day trip to Shenzhen during which our students and alumni visited five leading companies and gained a better understanding about the business and career opportunities there.

The Economics and Finance Postgraduates High Table Dinner which the Association co-hosts with the School on an annual basis has become a must have experience for our students, alumni and faculty, with attendance jumping from about 150 in 2008 to over 250 in 2009. As a genuine University of Hong Kong tradition, this gala event serves as an important platform to foster the relationship between the School and our postgraduates.

HKUEFPA Annual Report 2008-2009

Report from the Chairman 2008-2009 (continued)

The Association has also actively extended our reach to students and alumni outside Hong Kong. In April, we held a networking dinner for our students and alumni to meet with their counterparts from the joint MEcon/MFin program between HKU and Peking University in Shenzhen. In June, we welcomed over 60 students from the Shenzhen program to our High Table Dinner for the first time.

To facilitate better communication with our members, students and alumni, we have set up a website at <http://www.hkuefpa.org> with information about our Association, activities, news, membership application as well as photos of our past events. A collection of useful links to academic and professional resources is also available. In addition, an online forum has been established for our members to meet in the cyberspace.

To reduce the financial burden of our members, the Committee resolved to waive all membership and application fees for the time being. Instead, charges were levied on the participants of our events to cover the costs. While a nominal margin was also generated for our reserves, we maintained a prudent financial policy to keep our administrative expenses at the minimum. Gratefully we also received support from the School in affording us usage of the School's facilities, light refreshments for our talks and subsidies for students to participate in our events. As a result, we achieved a modest surplus at the end of the financial period.

The Association has certainly made much progress and on behalf of the Committee, I would like to express our most sincere gratitude for the strong support and trust from our members, students, alumni and the School, only with which our development has been made possible. Last but certainly not the least, I would also like to thank every one of our Committee members for their time, support, dedication, sacrifices and hard work during the past term.

Thank you all and I look forward to more of your support for our Association to grow from strength to strength and to serve our members, students, alumni and Alma Mater better in the future.

Yours sincerely,

Patrick Ho
Chairman
2008-09

HKUEFPA Annual Report 2008-2009

Major Events and Activities

1. Committee Meetings

A total of 12 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:	Mr. Ho Jing Kan Patrick	12 meetings
Vice-Chairlady:	Dr. Kate Kwan	9 meetings
Honorary Secretary:	Mr. Wang Chao	12 meetings
Honorary Treasurer:	Mr. Hui Tien Ruey Bosco	8 meetings
Committee Members:	Miss. Cao Yuanyuan	5 meetings
	Mr. Chan Cheuk Wing Kevin	6 meetings
	Miss. Fung Hoi Ki Heidi	7 meetings
	Mr. Gao Xin	11 meetings
	Miss. Jin Jing	9 meetings
	Mr. Tse Ho Kin	9 meetings
	Mr. Tse Si Yin John	4 meetings
	Mr. Tse Yueng Wah	7 meetings
	Miss. Wang Chunchun	6 meetings
	Miss. Zhou Yun	8 meetings
	Mr. Hwang Chi Wai William	(resigned 20 May 2009)

2. List of events and activities

2009

- 13 Nov** **November Networking Drink**
Over 40 MEcon, MFin and MBA students and alumni enjoyed an evening of networking at the Domani Restaurant atop the podium of Pacific Place.
- 23 Oct** **Career Talk Series - Career Search Experience Sharing**
Our alumni Mr. Roger Tse, Mr. Gao Xin and Mr. Adolf shared their career search insights and tips with our students.
- 16 Oct** **Career Talk Series – Strategies for Career Transition**
Ms. Farida Lau from Manpower Professional talked about the mindset and skillset required for postgraduates to move into other professions or industry sectors.
- 2 Oct** **Career Talk Series – Introduction to Investment Banking Application**
For the second year, Mr. Eddie Liu from Nomura International gave our students an insider perspective on how to apply for investment banking positions.

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Major Events and Activities (continued)

2. List of events and activities (continued)

2009

- 30 Sept** **China National Day & Mid-Autumn Happy Hour**
Over 60 MEcon, MFin and MBA students and alumni enjoyed an evening of networking at the Grappas Cellar, Jardine House Basement in Central.
- 18 Sept** **Career Talk Series - Introduction to Career Search**
Our Chairman Mr. Patrick Ho shared useful tips on how to utilise the various resources from the University for a successful career search.
- 13 June** **High Table Dinner**
The Association co-hosted this annual gala event with the School of Economics and Finance, this time at the historical Loke Yew Hall. Over 250 students, alumni and faculty members enjoyed an evening of networking and performances by our students and alumni as well as games with fabulous prizes. Over 60 students from the Shenzhen joint program with Peking University also joined us for the first time.
- 25 May** **HKUEFPA Boat Cruise**
Some 35 students and alumni enjoyed a day out cruising in the Victoria Harbour.
- 25 April** **Professional Talk - Update on Global Financial Regulation**
Experienced corporate lawyer Mr. Eugene Lai updated our students and alumni on the recent development in financial regulations around the world.
- 10 April** **Shenzhen Firm Visit**
Some 25 students and alumni visited five Shenzhen companies, including Shenzhen Stock Exchange, Oversea Chinese Town Group, Tencent Computer Systems Co. Ltd, China Merchants Bank and KPMG Shenzhen to gain a better understanding of their operations and opportunities.
- 4 April** **Easter Break BBQ**
Students and alumni enjoyed a day of golfing and BBQ at the Whitehead Golf Club next to the magnificent Tolo Harbour.
- 9, 12, 13 Mar** **Economics Matinee - "Commanding Heights"**
A documentary series on competition between centrally controlled and market economy was showcased to provide our students and alumni with a better understanding of the global financial crisis.
- 20 Feb** **Talk and Discussion on the Global Financial Crisis**
Prof. Chenggang Xu and Dr. Dragon Tang gave an insightful discussion on the unraveling global financial crisis for our students and alumni.

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Major Events and Activities (continued)

2. List of events and activities (continued)

2009

16 Jan **Market Preview: Currency and Financial Market**
Mr. Matthew Wong from RBS discussed the outlook of currencies and financial markets in 2009.

2008

22 Nov **Coming of Cold Hot Pot Dinner**
Students and alumni enjoyed an evening networking around steaming hot pots against the winter cold.

14 Nov **Alumni Career Experience Sharing Session II**
Our alumni Ms. Yvonne Yao, Ms. Karen Fan and our committee member Mr. Leo Tse shared useful insights from their career experiences with our students and alumni.

8 Nov **Introduction to Career in Syndicated Loans**
Dr. Kate Kwan, our Vice-Chairlady, shared her career experience in syndicated loans with our students and alumni.

7 Nov **Alumni Career Experience Sharing Session I**
Our alumni Ms. Mina Cheng, Ms. Karen Qian, Ms. Kathy Xu joined our committee member Mr. Bosco Hui to share their career experiences with our students and alumni.

24 Oct **Introduction to Targeted Job Search**
Our Chairman Mr. Patrick Ho shared useful tips on how to conduct an effective and efficient job search with our students.

26 Sept **Applying to Investment Banks**
Mr. Eddie Liu from Lehman Brothers gave a candid and insightful talk on investment banking application for our students and alumni.

12 Sept **Introduction to Hedge Fund**
Dr. Onn Chan from UBS gave our students and alumni an informative introduction to the hedge fund industry.

10 Sept **Introduction to Career Talk**
Our Chairman Mr. Patrick Ho briefed our students on how to prepare for and best utilise career talks for their career search efforts.

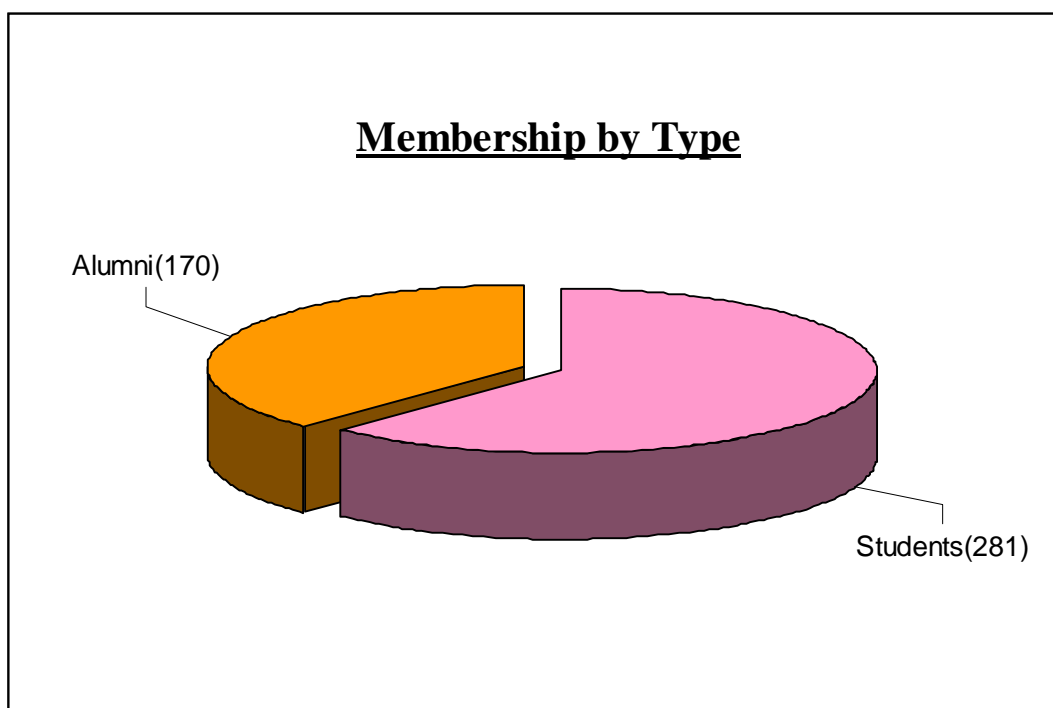
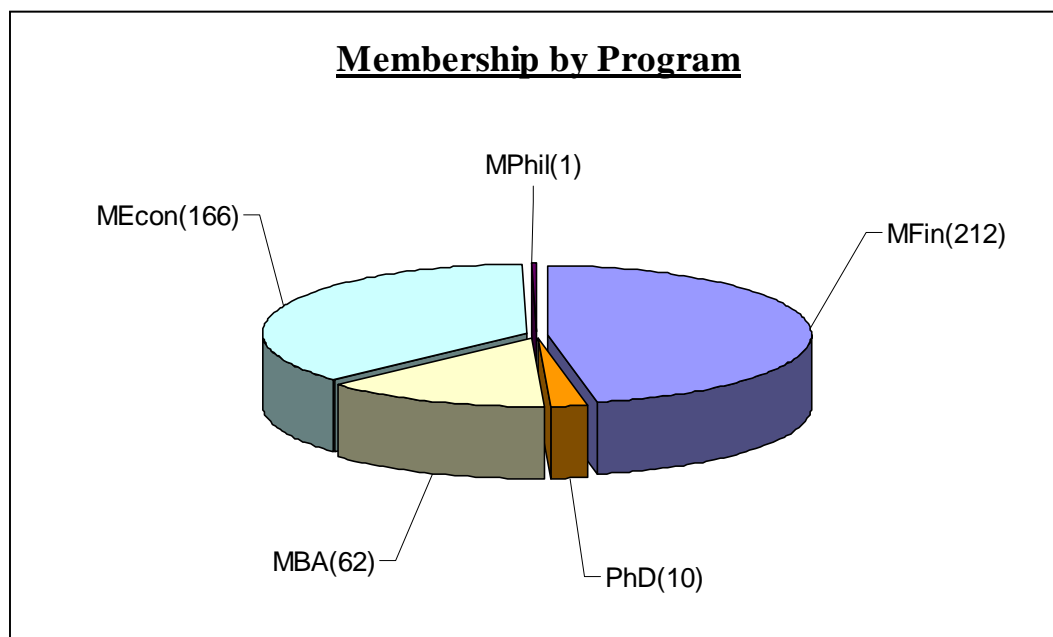
5 Sept **High Table Dinner**
Together with the School of Economics and Finance, the Association co-hosted the first annual Economics and Finance Postgraduates High Table Dinner at the Hong Kong Bankers Club for over 150 students, alumni and faculty members.

HKUEFPA Annual Report 2008-2009

Major Events and Activities (continued)

3. Admission of new members

A total of 451 members were admitted to the Association during the period. Breakdown of the membership by program and by type are as follows:



HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED

(INCORPORATED IN HONG KONG AND LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 21 NOVEMBER 2008 (DATE OF INCORPORATION)

TO

30 JUNE 2009

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

For the period from 21 November 2008 (date of incorporation) to 30 June 2009

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report together with the audited financial statements for the period ended 30 June 2009.

PRINCIPAL ACTIVITIES

The principal activities of HKU Economics and Finance Postgraduates Association Limited (the "Association") 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 period ended 30 June 2009 are set out on page 5 of the financial statements.

RESERVES

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

DIRECTORS

The Board of Directors (the "**Board**") during the period and up to the date of this report were:-

Mr. Ho Jing Kan Patrick	(Chairman)
Dr. Kate Kwan	(Vice-Chairlady)
Mr. Wang Chao	(Honorary Secretary)
Mr. Hui Tien Ruey Bosco	(Honorary Treasurer)
Miss. Cao Yuanyuan	(Committee Member)
Mr. Chan Cheuk Wing Kevin	(Committee Member)
Miss. Fung Hoi Ki Heidi	(Committee Member)
Mr. Gao Xin	(Committee Member)
Mr. Hwang Chi Wai William	(Committee Member, resigned on 20 May 2009))
Miss. Jin Jing	(Committee Member)
Mr. Tse Ho Kin	(Committee Member)
Mr. Tse Si Yin John	(Committee Member)
Mr. Tse Yueng Wah	(Committee Member)
Miss. Wang Chunchun	(Committee Member)
Miss. Zhou Yun	(Committee Member)

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 period from 21 November 2008 (date of incorporation) to 30 June 2009

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 period or at any time during the period.

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 period.

On behalf of the Board

Patrick Ho

Chairman

HONG KONG, 24 November 2009

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED**
(Incorporated in Hong Kong and limited by guarantee)

I have audited the financial statements of HKU Economics and Finance Postgraduates Association Limited (the "Association") set out on pages 5 to 14, which comprise the balance sheet as at 30 June 2009, and the income and expenditure statement, the statement of changes in equity and the cash flow statement for the period 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 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.

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)

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 2009 and of its surplus and cash flows for the period 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

Date: 24 November 2009

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)
Financial statements for the period ended 30 June 2009

**INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD FROM 21 NOVEMBER 2008 (DATE OF INCORPORATION)
TO 30 JUNE 2009**

	Note	2009 HK\$
INCOME		
Income from various functions and activities	5	80,710
Transfer from HKU Economics and Finance Postgraduates Committee		<u>4,748</u>
		<u>85,458</u>
EXPENDITURE		
Bank charges		150
Business registration and filing fee		450
Expenses for various functions and activities	5	61,233
Incorporation charges		1,433
Sundry expenses		<u>79</u>
		<u>63,345</u>
SURPLUS FOR THE PERIOD		<u><u>22,113</u></u>

The notes on pages 9 to 14 form part of these financial statements.

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Financial statements for the period ended 30 June 2009

**BALANCE SHEET
AS AT 30 JUNE 2009**

	Note	2009 HK\$
CURRENT ASSETS		
Accounts receivable	8	21,750
Cash and cash equivalents		173
Gift coupons		<u>190</u>
Net assets		<u><u>22,113</u></u>
EQUITY		
Accumulated funds		<u>22,113</u>
Total equity		<u><u>22,113</u></u>

Approved and authorised for issue by the board of directors on 24 November 2009

Patrick Ho
Chairman

Bosco Hui
Honorary Treasurer

The notes on pages 9 to 14 form part of these financial statements.

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)
Financial statements for the period ended 30 June 2009

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 21 NOVEMBER 2008 (DATE OF INCORPORATION) TO
30 JUNE 2009

	Accumulated Funds HK\$	Total HK\$
At 21 November 2008 (date of incorporation)	-	-
Surplus for the period	<u>22,113</u>	<u>22,113</u>
At 30 June 2009	<u><u>22,113</u></u>	<u><u>22,113</u></u>

The notes on pages 9 to 14 form part of these financial statements.

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)
Financial statements for the period ended 30 June 2009

CASH FLOW STATEMENT
FOR THE PERIOD FROM 21 NOVEMBER 2008 (DATE OF INCORPORATION) TO
30 JUNE 2009

	2009 HK\$
Cash flows from operating activities	
Surplus for the period	<u>22,113</u>
Operating cash flows before working capital changes	22,113
Increase in accounts receivable	(21,750)
Increase in gift coupons	<u>(190)</u>
Net increase in cash and cash equivalents	173
Cash and cash equivalents at beginning of financial period	<u>-</u>
Cash and cash equivalents at end of financial period	<u><u>173</u></u>

The notes on pages 9 to 14 form part of these financial statements.

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Financial statements for the period ended 30 June 2009

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 1026, 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 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 experience 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.

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Financial statements for the period ended 30 June 2009

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation of the financial statements (continued)

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 periods.

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

(b) Early adoption of new and revised HKFRSs

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the Association's operations and are mandatory for the Association's accounting periods beginning on or after 1 July 2009 or later periods. The Association has not early adopted the following new standards, amendments and interpretations in the financial statements for the period ended 30 June 2009:

HKAS 1 (Revised) – Presentation of financial statements

(effective for annual periods beginning on or after 1 January 2009)

HKFRS 8 – Operating segments

(effective for annual periods beginning on or after 1 January 2009)

Apart from certain presentational changes and additional disclosures, the adoption of the above new standards, amendments and interpretations will have no significant impact on the Association's financial statements. The Association will adopt these new and revised HKFRSs when they become effective.

(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 income and expenditure statement. Impairment loss is reversed in subsequent periods 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.

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Financial statements for the period ended 30 June 2009

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(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. Bank overdrafts that are repayable on demand and form an integral part of the Association's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(f) 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.

(g) 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 period to which they relate.

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Financial statements for the period ended 30 June 2009

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 period. The Association is not subject to any externally imposed capital requirements.

4. FINANCIAL RISK MANAGEMENT

The Association's major financial instruments include accounts receivable, gift coupons and cash at bank. 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.

(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 which carry interest rate at market rate, 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.

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Financial statements for the period ended 30 June 2009

4. FINANCIAL RISK MANAGEMENT (continued)

(e) Price risk

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

5. SURPLUS FROM VARIOUS FUNCTIONS AND ACTIVITIES

	2009		
	Income	Expenditure	Surplus
	HK\$	HK\$	HK\$
High Table Dinner	65,700	(48,099)	17,601
Boat Cruise	7,040	(6,946)	94
Shenzhen Company Visit	5,000	(4,122)	878
Name Card Printing	2,100	(1,218)	882
Golf BBQ	<u>870</u>	<u>(848)</u>	<u>22</u>
	<u>80,710</u>	<u>(61,233)</u>	<u>19,477</u>

6. DIRECTORS' REMUNERATION

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

7. 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.

8. 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.

9. AUDITOR'S REMUNERATION

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

10. COMPARATIVE FIGURES

There are no comparative figures given in the accounts as this is the first accounting period after the company incorporation.