

HKUEFPA Annual Report 2009-2010

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 2009-2010:

Chairman:	Mr. Ho Jing Kan Patrick	(MFin 2007)
Vice Chairlady:	Dr. Kate Kwan	(MFin 2003)
Honorary Secretary:	Miss. Dai Qin	(MFin 2010)
Honorary Treasurer:	Mr. Tse Ho Kin	(MEcon 2010)
Committee Members:	Miss. Feng Qi	(MEcon 2010)
	Miss. Fung Hoi Ki Heidi	(MEcon 2009)
	Mr. Gao Xin	(MEcon 2009)
	Miss. Hu Wenqian	(MFin 2010)
	Mr. Hui Tien Ruey Bosco	(MFin 2008)
	Miss. Jin Jing [^]	(MFin 2009)
	Mr. Tse Yueng Wah*	(MFin 2009)
	Mr. Wang Chao	(MEcon 2008)
	Miss. Zhou Yun	(MFin 2008)

[^]Miss Jin Jing was appointed as Committee Member on 24 April 2010.

* Mr. Tse Yueng Wah resigned as a Committee Member on 3 August 2010.

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

HKUEFPA Annual Report 2009-2010

Report from the Chairman 2009-2010

Dear Members of HKUEFPA,

It is with great pleasure that I report to you a very successful and fruitful term of 2009-10 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 in the various HKU postgraduate economics and finance programs and this has been a major focus of the Committee. A diverse range of events, such as BBQs, hotpots, happy hours, cruises, fun days as well as the 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, held our first networking event outside Hong Kong during the summer month of July in Beijing. Our next non-local event has been scheduled for Shanghai in mid-November and these are only the first steps to expand our reach globally with the aim to serve everywhere our talented graduates reside.

Member's involvement

Our continued effort in member recruitment saw rapid growth in our membership, currently totaling more than 800 and growing. 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 as well as the two "offshore" networking events in Beijing and Shanghai. They also proved to be effective channels for the Committee to better understand the needs of our members. We are grateful for their help and with this initial success, we are expanding 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.

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Report from the Chairman 2009-2010 (con't)

Identity building

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

Career management

Another 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 professionals as well as recent graduates to share their experiences in career search with our students at the start of every school term and this year is no exception. Similarly, visit to leading companies in Shenzhen was also organised for our students to better understand the industries. Career search and management are certainly important concerns of our students and 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, the first academic competition between the MEcon and MFin programs in both Hong Kong and Shenzhen, was held during March and April as our new initiative to promote studies of economics and finance. The MBA students were also invited but unable to send a team as most of them were out of town for their international tracks. Nonetheless, four teams of MEcon and MFin students took their classroom learning into the real world and debated on current issues in economics and finance. The event was sponsored by several enthusiastic members and also generously supported by the School as well as the Professional Risk Managers' International Association ("PRMIA"). 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 Board Directors of PRMIA.

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 cruises, 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 souvenir items such as the HKU insignia polo shirts mentioned above also provided much needed surplus.

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Report from the Chairman 2009-2010 (con't)

In addition, we continuously sought sponsorships for our events as well as general donations. I am very pleased to inform you that the Association has received an ex-gratia donation from Dr. Onn Chan in the amount of HK\$149,520 in July 2010. As this donation was received after 30 June 2010, the date of our latest audit financial results, it will be reported in the results of our next financial year.

It is also an established policy to limit the total expenses recurring each year to the recurring income achieved in the same year. Income that cannot be ascertained to recur in the next year, such as one-time donation, were set aside and application restricted to investments of a capital nature that are expected to generate sustained long term benefits for the Association.

Honorary membership

Dr. Onn Chan, Executive Director with Credit Suisse and visiting professor of the HKU MFin program, has been a major benefactor of the Association. In addition to his generous donation mentioned above, he had also delivered talks on the hedge fund industry for our students and serves as the Association's Honorary Advisor. In recognition of Dr. Chan's outstanding contributions to our Association, the Committee is recommending to elect him as Honorary Member of the Association. In accordance with Article 8 of the Association, a proposal to this effect is included for approval by members in the coming Annual General Meeting.

Farewell remarks

It has undoubtedly been a great privilege and honour for me to have the opportunity to serve you all as Chairman. As my current 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, dedication and sacrifices; and to the School, Program Office, students and Association members for their opinions, trust and support. This is my second term, third year if counting the Committee that preceded the Association, and together, we had 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 as a Committee Member or a volunteer. I am sure that with your continued 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,

Patrick Ho
Chairman
2009-10

HKUEFPA Annual Report 2009-2010

Major Events and Activities

1. Committee Meetings

A total of 7 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	7 meetings
Vice-Chairlady:	Dr. Kate Kwan	5 meetings
Honorary Secretary:	Miss. Dai Qin	4 meetings
Honorary Treasurer:	Mr. Tse Ho Kin	4 meetings
Committee Members:	Miss. Feng Qi	4 meetings
	Miss. Fung Hoi Ki Heidi	3 meetings
	Mr. Gao Xin	3 meetings
	Miss. Hu Wenqian	5 meetings
	Mr. Hui Tien Ruey Bosco	6 meetings
	Miss. Zhou Yun	7 meetings
	Mr. Wang Chao	5 meetings
	Miss. Jin Jing	(appointed 24 April 2010)
	Mr. Tse Yueng Wah	(resigned 3 Aug 2010)

2. List of events and activities

2010

- 7 Oct Career Talk Series – Introduction to Investment Banking Application**
For the third year in a row, Eddie Liu from Nomura International gave our students an insider perspective on how to apply for investment banking positions.
- 17 Sep HKUEFPA Mid-autumn Networking Drink**
Over 50 students and alumni from the MFin, MEcon and MBA programs got acquainted among themselves with a drink in hand at the Admiralty Pacific Place Mall.
- 17 Sep Career Talk Series – Job Search Experience Sharing**
Dai Qin, Wu Qifeng, Yu Miao and Zhang Yin, four recent MFin and MEcon graduates working at major financial institutions in both HK and Beijing, came back to share their job search experiences with over 50 current students.
- 10 Sep Career Talk Series - Introduction to Career Search**
Our Chairman shared useful tips on how to utilise the various resources of the University for a successful career search.
- 30 Jul HKUEFPA Mid-summer Happy Hour in Beijing**
With the help of enthusiastic alumni Karen Qian and Jiang Xue, our first ever “offshore” happy hour held outside Hong Kong saw over 30 students and alumni met up in Beijing to wine, dine and network.

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Major Events and Activities (continued)

2. List of events and activities (continued)

2010

24 Jul **HKUEFPA Shenzhen Fun Day**
Some 20 students and alumni from both HK and the mainland enjoyed a day of singing, dining and networking in Shenzhen.

21 May **Shenzhen Firm Visit**
Students and alumni from the MEcon, MFin and MBA programs in HK joined their counterparts from the Shenzhen MFin program, a total of over 20 participants for a visit to three leading firms in Shenzhen, namely China Vanke, Dacheng Fund Management and Guosen Securities.

17 April **High Table Dinner 2010**
The Association again co-hosted this annual gala event with the School of Economics and Finance. Over 150 faculty members, students and alumni from the MEcon, MFin and MBA programs in both HK and Shenzhen enjoyed an evening of insightful talk by our guest speaker Mr. Kwok Kowk Chuen, BBS, JP and networking at the Hong Kong Jockey Club, Happy Valley Racecourse. A prize presentation ceremony was also held for the HKUEFPA Master Debate Championship.

10 April **HKUEFPA Masters Debate Championship Final**
After a heated debate on whether China should appreciate its currency, the Master of Finance team lifted the first HKUEFPA Master Debate Championship. The event was made possible by the generous support from the Professional Risk Managers' International Association (PRMIA) and the School of Economics and Finance. Generous donations were also provided by enthusiastic members of the association.

27 Mar **HKUEFPA Masters Debate Championship Preliminaries**
Four teams from the MEcon and MFin programs in both HK and Shenzhen came together in the first debate championship between the postgraduate programs. After two closely contested preliminaries on current topics in economics and finance, the two teams representing the MEcon and MFin programs in HK proceeded to the final.

23 Jan **Winter Hot Pot gathering**
Over 40 students and alumni networked around a nice hot pot dinner against the winter cold.

2009

19 Dec **Pre-Christmas BBQ**
Over 30 students and alumni spent a nice afternoon of networking around BBQ fire in Tai Mei Tuk.

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Major Events and Activities (continued)

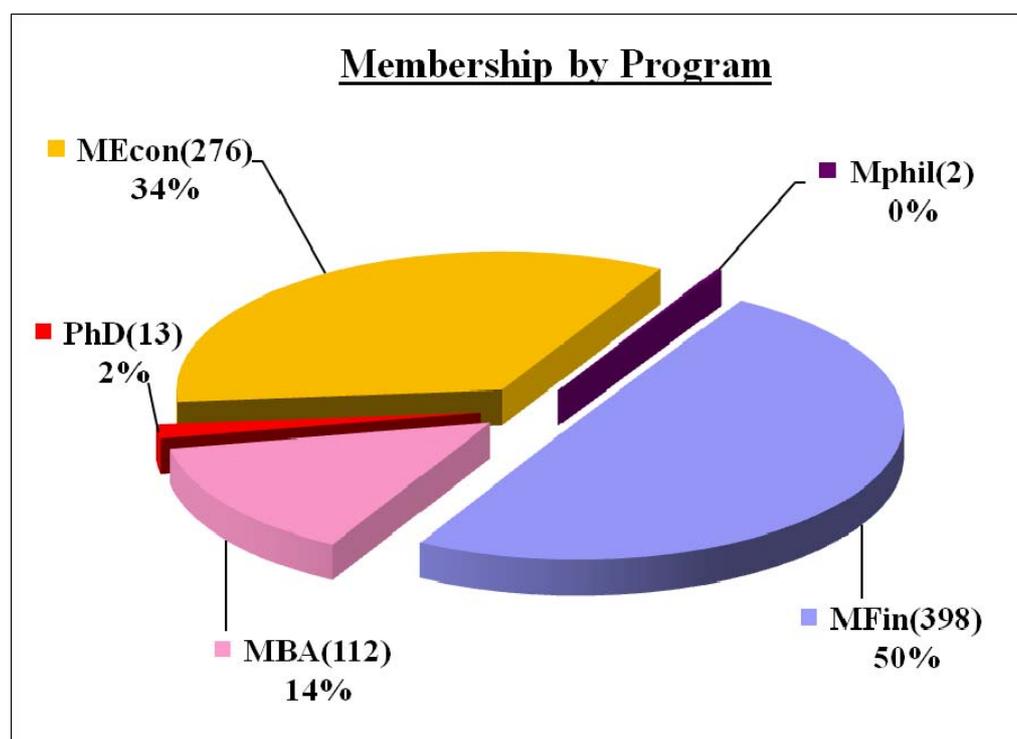
2. List of events and activities (continued)

2009

18 Dec Professional Seminar and face-to-face sharing by Dr. Raymond Li
Our students and alumni participated in a face to face sharing session followed by a professional seminar on US economic scene by Dr. Raymond Li, Senior Managing Director, Head of Quantitative Risk, TIAA-CREF.

3. Admission of new members

A total of 350 new members were admitted to the Association during the period, bringing the total membership to 801. Breakdown of the membership by program is as follows:



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 2010

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)
For the year ended 30 June 2010

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 30 June 2010.

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 year ended 30 June 2010 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 were:-

Mr. Ho Jing Kan Patrick [^]	(Chairman)
Dr. Kate Kwan [^]	(Vice Chairlady)
Mr. Wang Chao [*]	(Hon. Secretary, resigned to become Committee Member on 9 Jan 2010)
Miss. Dai Qin [#]	(Hon. Secretary, appointed on 9 Jan 2010)
Mr. Hui Tien Ruey Bosco [*]	(Hon. Treasurer, retired on 19 Dec 2009)
Mr. Tse Ho Kin [*]	(Hon. Treasurer, appointed on 9 Jan 2010)
Miss. Feng Qi [#]	(Committee Member)
Miss. Fung Hoi Ki Heidi [*]	(Committee Member)
Mr. Gao Xin [*]	(Committee Member)
Miss. Hu Wenqian [#]	(Committee Member)
Miss. Zhou Yun [*]	(Committee Member)
Miss. Jin Jing	(Committee Member, retired on 19 Dec 2009, reappointed on 24 Apr 2010)
Mr. Tse Yueng Wah [*]	(Committee Member, resigned on 3 Aug 2010)
Miss. Cao Yuanyuan	(Committee Member, retired on 19 Dec 2009)
Mr. Chan Cheuk Wing Kevin	(Committee Member, retired on 19 Dec 2009)
Mr. Tse Si Yin John	(Committee Member, retired on 19 Dec 2009)
Miss. Wang Chunchun	(Committee Member, retired on 19 Dec 2009)

[^] retired and re-elected as the same at AGM on 19 Dec 2009

^{*} retired and re-elected as Committee Member at AGM on 19 Dec 2009

[#] elected as Committee Member at AGM on 19 Dec 2009

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 2010

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

Patrick Ho

Chairman

HONG KONG, 29 October 2010

**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 2010

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 2010, 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 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)
For the year ended 30 June 2010

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 2010 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

Date: 29 October 2010

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)
For the year ended 30 June 2010

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 HK\$	2009 HK\$
INCOME			
Income from various functions and activities	5	141,380	80,710
Foreign exchange gain		99	-
Interest Income		3	-
Transfer from HKU Economics and Finance Postgraduates Committee		<u>-</u>	<u>4,748</u>
		<u>141,482</u>	<u>85,458</u>
EXPENDITURE			
Bank charges		450	150
Business registration and filing fee		555	450
Expenses for various functions and activities	5	120,695	61,233
Incorporation charges		-	1,433
Sundry expenses		<u>120</u>	<u>79</u>
		<u>121,820</u>	<u>63,345</u>
SURPLUS FOR THE YEAR/PERIOD		<u>19,662</u>	<u>22,113</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 2010

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	2010 HK\$	2009 HK\$
CURRENT ASSETS			
Accounts receivable	8	11,700	21,750
Cash and cash equivalents		30,033	173
Gift coupons		-	190
Inventories	9	<u>42</u>	<u>-</u>
Net assets		<u><u>41,775</u></u>	<u><u>22,113</u></u>
EQUITY			
Accumulated funds		<u>41,775</u>	<u>22,113</u>
Total equity		<u><u>41,775</u></u>	<u><u>22,113</u></u>

Approved and authorised for issue by the Board of Directors on 29 October 2010

Patrick Ho
Chairman

Tse Ho Kin
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 2010

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Accumulated Funds HK\$	Total HK\$
Balance at 21 November 2008 (date of incorporation)	-	-
Surplus for the period	22,113	22,113
Balance at 30 June 2009	----- 22,113	----- 22,113
Surplus for the year	19,662	19,662
Balance at 30 June 2010	----- <u>41,775</u>	----- <u>41,775</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 2010

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 HK\$	2009 HK\$
Cash flows from operating activities		
Surplus for the year/period	19,662	22,113
Adjustments for:		
(Increase)/decrease in accounts receivables	10,050	(21,750)
(Increase)/decrease in gift coupons	190	(190)
Increase in Inventories	(42)	-
Foreign exchange gain	(99)	-
Interest income	(3)	-
	-----	-----
Net cash from operating activities	<u>29,758</u>	<u>173</u>
	-----	-----
Cash flows from investing activities		
Interest received	3	-
	-----	-----
Net cash from investing activities	<u>3</u>	<u>-</u>
	-----	-----
Net increase in cash and cash equivalents	29,761	173
Cash and cash equivalents at beginning of financial year/period	173	-
Effect of exchange rate changes on the balance of cash held in foreign currency	99	-
	-----	-----
Cash and cash equivalents at end of financial year/period	<u>30,033</u>	<u>173</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 2010

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.

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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

HKU ECONOMICS AND FINANCE POSTGRADUATES ASSOCIATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)
For the year ended 30 June 2010

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Early adoption of new and revised HKFRSs

HKICPA has issued certain HKFRSs after 30 June 2010 and up to the date of approval of the financial statements. The Association has assessed that these revised HKFRSs are not applicable to the Association's operations.

(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. 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) 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 2010

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, 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.

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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 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.

(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

	2010			2009		
	Income HK\$	Expenditure HK\$	Surplus/ (Deficit) HK\$	Income HK\$	Expenditure HK\$	Surplus/ (Deficit) HK\$
High Table Dinner	83,529	(81,533)	1,996	65,700	(48,099)	17,601
Polo Shirt Sale	25,900	(14,244)	11,656	-	-	-
Networking Dinner Cruise	18,330	(13,553)	4,777	-	-	-
Name Card Printing	6,500	(3,780)	2,720	2,100	(1,218)	882
Masters Debate Championship	3,300	(3,660)	(360)	-	-	-
BBQ	2,400	(2,347)	53	870	(848)	22
Shenzhen Company Visit	1,411	(1,281)	130	5,000	(4,122)	878
Summer Boat Cruise	-	-	-	7,040	(6,946)	94
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	141,370	(120,398)	20,972	80,710	(61,233)	19,477
Net surplus from Hot Pot Dinner	10	-	10	-	-	-
Expenses for talks	-	(297)	(297)	-	-	-
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	<u>141,380</u>	<u>(120,695)</u>	<u>20,685</u>	<u>80,710</u>	<u>(61,233)</u>	<u>19,477</u>

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6. DIRECTORS' REMUNERATION

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

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. INVENTORIES

Inventories are entirely consisted of finished goods of polo shirt.

10. AUDITOR'S REMUNERATION

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

11. MATERIAL CHANGE IN FINANCIAL POSITION

The Association has received an ex-gratia donation of HK\$149,520 since 30 June 2010, being the date of our latest audited financial results.

12. COMPARATIVE FIGURES

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