

Annex D

Ying Wa Girls' School Alumnae Association Charity Trust Fund

Trustees' Report and Financial Statements

For the year ended 31 December 2020

Eric H. L. Chung & Co.

Certified Public Accountants

Hong Kong

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

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YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

**Trustees' Report
For the year ended 31 December 2020**

The Trustees submit their report together with the audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of the Charity Trust Fund are providing assistance and facilities for the advancement of education of the students of Ying Wa Girls' School.

Results

The income received and expenditure paid by the Charity Trust Fund for the year ended 31 December 2020 are set out in the Statement of Income and Expenditures on page 4. The state of affairs as at 31 December 2020 is set out in the Statement of Financial Position on page 5.

Trustees

The Trustees who held office during the year were:

Dr. Huen Kwai Fun
Dr. Wan Charn Wing Frank
Ms. Leung Man Ping, Priscilla
Ms. Chui Wai Shan Anita
Ms. Ching Tak Ying Kitty
Ms. Lee Suet Yee
Ms. Chung Wai Chi

In accordance with the Deed of Trust, the total number of Trustees shall at least be five, but not more than nine, and shall always be an odd number.

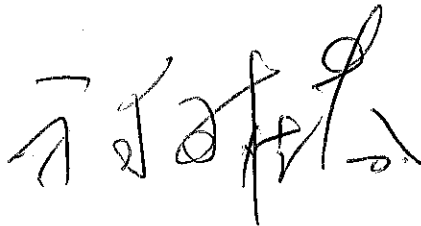
On 22 April 2019, the council meeting of the Settlor, Ying Wa Girls' School Alumnae Association Limited, approved that all the Trustees would continue their term of office until 31 May 2021.

Honorary Auditors

Eric H.L. Chung & Co. Certified Public Accountants were reappointed as honorary auditors of the Charity Trust Fund.

On behalf of the Trustees

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND



Dr. Huen Kwai Fun
Chairman
Hong Kong, 28 February 2021

**Independent Auditor's Report to the Trustees of
YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND**

Opinion

We have audited the financial statements of Ying Wa Girls' School Alumnae Association Charity Trust Fund ("Charity Trust Fund") set out on pages 4 to 9, which comprise the Statement of Financial Position as at 31 December 2020, the Statement of Income and Expenditures, the Statement of Changes of Accumulated Surplus and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Charity Trust Fund are prepared, in all material respects, in accordance with Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Other information

The Trustees are responsible for the other information. The other information obtained at the date of this auditors' report is information included in the Trustees' report set out on pages 1, but does not include the financial statements and our auditors' report thereon.

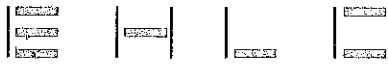
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Trustees and Those Charged with Governance for the Financial Statements

The Trustees are responsible for the preparation of these financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Trustees determine is necessary to enable to the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing Charity Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate Charity Trust Fund or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing Charity Trust Fund's financial reporting process.



**Independent Auditor's Report to the Trustees of
YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND**

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Charity Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Charity Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Charity Trust Fund to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Eric H L Chung & Co.
Certified Public Accountants (Practising)
Hong Kong
3 March 2021

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

**Statement of Income and Expenditures
For the year ended 31 December 2020**

	Notes	2020		2019	
		HK\$	HK\$	HK\$	HK\$
INCOME					
Designated donation		15,000		30,000	
General donation		<u>50,000</u>		<u>52,100</u>	
			65,000		82,100
OTHER INCOME					
Bank interest income			<u>27,564</u>		<u>79,414</u>
			92,564		161,514
EXPENDITURES					
Loss on exchange		25,207		23,944	
Miscellaneous – Bank charges		1,440		1,290	
Subsidy payment	5	<u>203,555</u>	<u>(230,202)</u>	<u>302,213</u>	<u>(327,447)</u>
DEFICITS FOR THE YEAR			<u>(137,638)</u>		<u>(165,933)</u>

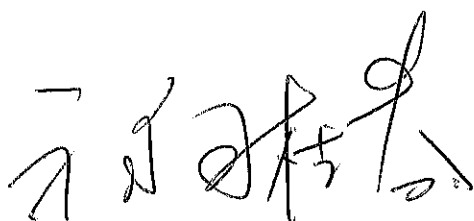
The notes on pages 8 to 9 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

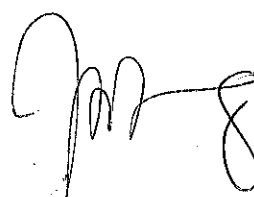
Statement of Financial Position
As at 31 December 2020

	Notes	2020 HK\$	2019 HK\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,001,899	4,340,645
Interest income receivables		196	4,954
		<u>4,002,095</u>	<u>4,345,599</u>
CURRENT LIABILITIES			
Account payables		-	205,866
NET ASSETS		<u>4,002,095</u>	<u>4,139,733</u>
REPRESENTING:			
Accumulated surplus		<u>4,002,095</u>	<u>4,139,733</u>

The financial statements were approved by the Trustees on 28 February 2021 and signed on their behalf by



Trustee (Dr. Huen Kwai Fun)



Trustee (Ms. Leung Man Ping Priscilla)

The notes on pages 8 to 9 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

**Statement of Changes of Accumulated Surplus
For the year ended 31 December 2020**

	HK\$
Balance at 1 January 2019	4,305,666
Deficits for the year	<u>(165,933)</u>
Balance at 31 December 2019 and 1 January 2020	4,139,733
Deficits for the year	<u>(137,638)</u>
Balance at 31 December 2020	<u>4,002,095</u>

The notes on pages 8 to 9 form an integral part of these financial statements

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

Statement of Cash Flows
For the year ended 31 December 2020

	Notes	2020 HK\$	2019 HK\$
OPERATING ACTIVITIES			
Deficits for the year		(137,638)	(165,933)
Adjustment for:			
Interest income		<u>(27,564)</u>	<u>(79,414)</u>
Cash used in operations		(165,202)	(245,347)
(Decrease)/increase in account payables		<u>(205,866)</u>	<u>205,866</u>
		(371,068)	(39,481)
INVESTING ACTIVITIES			
Interest received		27,564	79,414
Decrease in interest accrued		<u>4,758</u>	<u>1,545</u>
Net (decrease) / increase in cash and cash equivalents		(338,746)	41,478
Cash and cash equivalents at beginning of the year		<u>4,340,645</u>	<u>4,299,167</u>
Cash and cash equivalents at end of the year	4	<u><u>4,001,899</u></u>	<u><u>4,340,645</u></u>

The notes on pages 8 to 9 form an integral part of these financial statements

**Notes to the Financial Statements
For the year ended 31 December 2020**

1. ESTABLISHMENT DETAILS AND TRUSTEES' LIABILITY

Establishment details

The fund is a charitable trust and was established by a Deed of Trust dated 26 May 2006 under the Laws of Hong Kong. It was deemed to have taken effect as from 1 March 2006. The settlor is Ying Wa Girls' School Alumnae Association Limited.

Trustees' liability

No Trustee shall be liable to any loss to the Fund arising by reason of any investment made in good faith, or due to the negligence or fraud of any employee or agent retained by the Trustees, or by reason of any mistake or omission made in good faith by any Trustee, or by reason of any other matter or thing, except willful and fraudulent act or omission on the part of the Trustee who is sought to be made liable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charity Trust Fund qualifies for the reporting exemption as a small guarantee company under Section 359(1)(a) for the Hong Kong Companies Ordinance (Cap. 622). The Charity Trust Fund is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the "SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Ensemble is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

Income recognition

Donation income is recognized on a cash basis.

Bank and bond interest income are recognized on an accrual basis.

Taxation

The Charity Trust Fund is exempted from Hong Kong profit tax in accordance with provisions of Section 88 of the Inland Revenue Ordinance.

3. TRUSTEES' REMUNERATION

None of the Trustees received any remuneration in respect of their services rendered to the Fund during the year.

YING WA GIRLS' SCHOOL ALUMNAE ASSOCIATION CHARITY TRUST FUND

**Notes to the Financial Statements
For the year ended 31 December 2020**

4. CASH AND CASH EQUIVALENTS

	2020	2019
	HK\$	HK\$
Fixed deposit accounts	1,079,489	3,771,620
Current account	26,546	462,998
Saving account	<u>2,895,864</u>	<u>106,027</u>
	<u>4,001,899</u>	<u>4,340,645</u>

5. SUBSIDY PAYMENT

	2020	2019
	HK\$	HK\$
AA Council Agreed Clerical Support to School	24,000	24,000
Alumnae Association Scholarship	7,300	7,300
Bible giving to S1 students	13,300	12,660
Choir Training Camp	-	20,878
Mentorship program	10,891	8,968
Pre-approved subsidy to school	23,629	22,541
Production of Video Documentary	<u>124,435</u>	<u>205,866</u>
	<u>203,555</u>	<u>302,213</u>