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**THE EDUCATION FOUNDATION OF THE FEDERATION
OF THE ALUMNI ASSOCIATIONS OF THE CHINESE
UNIVERSITY OF HONG KONG LIMITED**

**REPORT AND FINANCIAL STATEMENTS
2012/13**



WONG BROTHERS & CO.
CERTIFIED PUBLIC ACCOUNTANTS

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI
ASSOCIATIONS OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

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Partners : Charles C L Chow S M Kan
Gordon C P Cheng Ricky W P Wong
Principals : Johnny M S Yuen Clifford C K Lo

鄒燦林會計師 簡迅鳴會計師
鄭松波會計師 黃煒培會計師
袁明碩會計師 勞鎮乾會計師

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Independent Auditors' Report to the Members of

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI
ASSOCIATIONS OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED
(Incorporated in Hong Kong and limited by guarantee)**

We have audited the financial statements of The Education Foundation of the Federation of the Alumni Associations of the Chinese University of Hong Kong Limited (the Foundation) set out on pages 3 to 16, which comprise the statement of financial position as at 30 September 2013, the statements of comprehensive income, the statement of changes in funds and reserve and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Predecessor Hong Kong Companies Ordinance Cap 32 ("the Companies Ordinance"), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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, in accordance with section 141 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

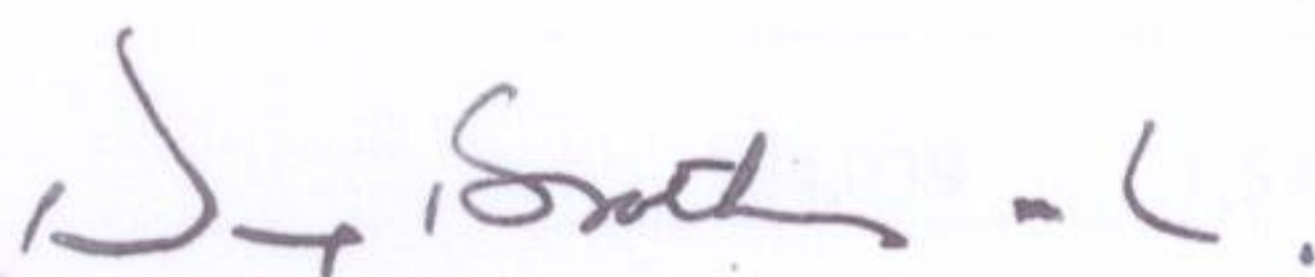
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements 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 auditors' 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 auditors consider internal control relevant to the Foundation's preparation of the financial statements that give a true and fair view 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 Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditors' Report to the Members of**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI
ASSOCIATIONS OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED****(Incorporated in Hong Kong and limited by guarantee)***Opinion*

In our opinion, the financial statements give a true and fair view of the state of the Foundation's affairs as at 30 September 2013 and of its deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Companies Ordinance.

Hong Kong, 11 June 2014

Wong Brothers & Co.
Certified Public Accountants
Hon. Auditors

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI
ASSOCIATIONS OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME –
CHINA EDUCATION DEVELOPMENT FUND**

FOR THE YEAR ENDED 30 SEPTEMBER 2013

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	2013 HK\$	2012 HK\$
Income		
Donations received	540,381	1,467,882
Dividend income	2,044	1,825
Surplus on functions	2,038	5,308
Interest income	8,310	650
Gain on exchange	11,266	3,909
Other income	--	57,122
	<u>564,039</u>	<u>1,536,696</u>
EXPENDITURE ON SCHOOLS AND EDUCATION DEVELOPMENT		
Bursary	210,445	643,456
Meal support	--	5,407
New buildings	503,145	--
Prizes	71,006	102,350
Special support	76,532	153,226
Subsidiaries and scholarship	18,550	762,683
School others	--	1,378
Teacher's training	--	83
Warm function expenses	--	22,479
	<u>(879,678)</u>	<u>(1,691,062)</u>
ADMINISTRATIVE EXPENDITURE		
Bank charges	704	1,246
Insurance	--	8,030
Inventory written off	576	--
Postage	356	790
Printing and stationery	2,123	1,729
Sundry expenses	2,129	259
Telephone and fax	5,775	7,628
Travelling expenses	1,069	1,997
Utilities	2,596	3,228
	<u>(15,328)</u>	<u>(24,907)</u>
TOTAL EXPENDITURE	<u>(895,006)</u>	<u>(1,715,969)</u>
Deficits for the year	<u>(330,967)</u>	<u>(179,273)</u>
<i>Items that may be reclassified subsequently to profit or loss</i>		
Other comprehensive income, net of tax		
Fair value gain on revaluation of available-for-sale financial assets	<u>6,526</u>	<u>6,939</u>
Total comprehensive income for the year	<u>(324,441)</u>	<u>(172,334)</u>

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI
ASSOCIATIONS OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

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1. GENERAL INFORMATION

The principal activities of the Foundation are establishing non-profit-making schools and promoting education development.

The Foundation is incorporated in Hong Kong and limited by guarantee. The address of its registered office is Alumni Affairs Office, 3/F., John Fulton Centre, The Chinese University of Hong Kong, Shatin, New Territories, Hong Kong.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied during the year presented, unless otherwise stated.

2.1 Basis of preparation

(a) Statement of compliances

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and under the historical cost convention, as modified by the available-for-sale financial assets and financial assets at fair value through profit or loss.

(b) Impact of new and revised HKFRS

(i) Standards, interpretations and amendments effective in current year

The HKICPA has issued a number of amendments, new/revised standards and new/revised interpretations to HKFRS that are effective after 1 August 2012. Among these standards, the following new and revised standards are only relevant to preparation of the financial statements of the Foundation for the year ended 30 September 2013 and have been applied in preparation of these financial statements.

(a) Amendments to HKAS 1 - Presentation of Financial Statements

The amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to surplus or deficit and (b) items that may be reclassified subsequently to surplus or deficit when specific conditions are met. Under the amendments to HKAS 1, the "statement of comprehensive income and expenditure" is renamed as "the statement of comprehensive income". Other than the presentation changes, the application of the amendments to HKAS 1 does not result in any impact on the Foundations financial position and results for the current and prior years.

(ii) Impact of standards, amendments and interpretations yet to be adopted

Up to the date of approval of these financial statements, the HKICPA has issued a number of amendments, new/revised standards and new/revised interpretations, which are not yet effective and which have not been early adopted by the Foundation for the year ended 30 September 2013. The directors are in the process of making an assessment and are not yet in a position to determine of what the impact of these new/revised standards, amendments and new interpretations to the results and financial position of the Foundation upon adoption.