# SAINT PAUL'S CO-EDUCATIONAL COLLEGE ALUMNI ASSOCIATION LIMITED

聖保羅男女中學校友會有限公司

(Incorporated in Hong Kong and limited by guarantee)

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

戴江會計師事務所有限公司
**Tai Kong CPA Limited**
Certified Public Accountants (Practising)

UHY 國際會計師及顧問事務所聯會獨立會員
A member of UHY International, a network of independent accounting and consulting firms

**SAINT PAUL'S CO-EDUCATIONAL COLLEGE ALUMNI ASSOCIATION LIMITED**
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(EXPRESSED IN HONG KONG DOLLARS)

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## REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee members have pleasure in submitting their annual report together with the audited consolidated financial statements for the year ended 31 August 2023.

## PRINCIPAL ACTIVITIES

The principal activities of the Association are the promotion of common interests of its members and investment holding. The principal activity and other particulars of the subsidiary are set out in note 13(a) to the financial statements.

## FINANCIAL STATEMENTS

The financial performance of the Association and its subsidiary (together refer to the "group") for the year ended 31 August 2023 and their financial position at that date are set out in the consolidated financial statements on pages 5 to 29.

## EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members during the year and up to the date of this report were (in alphabetical order) :-

Chan Hau Ngai, Kingsley
Chan Kai On, Paul
Cheng Yan Ying, Grace
Cheung Wai Shun, Katherine
Chow Yan Wai, Michelle
Gaw Christina
Hung Fan Ngai, Ivan
Hung, Viola
Lee Chien
Leung Jason Cheuk Man
Leung Sing Wing, Vincent
Leung Wing Ci, Winnie
Li Ka Fai, David
Ma Ka Yiu, Caroline
Pang Tsun Loy, Michael
Pong Sum Yee, Samanta
Poon Siu Chi, Frederick
Sitt Ching Man, Jacqueline
So Ho Ching, Paul
Wan Ho Yin, Bruce
Wong Tye Loy, Wilfred
Yang Hoi Ti, Heidi
Kwok Wing Chung, Ronald (Elected on 20 March 2023)
Lu Hing Kwong, Quinton (Elected on 20 March 2023)

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## REPORT OF THE EXECUTIVE COMMITTEE (CONT'D)

### EXECUTIVE COMMITTEE MEMBERS (CONT'D)

The Executive Committee members during the year and up to the date of this report were (in alphabetical order) :- (cont'd)

| | |
|---|---|
| Man Ka Ho, Donald | (Elected on 20 March 2023) |
| Luk Wing Kee, Andrew | (Resigned on 1 November 2022) |
| Chau Bik Yee, Peggy | (Retired on 20 March 2023) |
| Leung Heung Ying, Sabrina | (Retired on 20 March 2023) |
| Ma Ching Nam | (Retired on 20 March 2023) |

In accordance with article 29 of the Association's Articles of Association, any Executive Committee Member elected under Annual General Meeting shall serve for a term of five Service Years, and shall retire from his or her office at the fifth Annual General Meeting after his or her election provided always that an Executive Committee Member, who is also an Officer, shall not be required to retire at the Annual General Meeting at which his or her service term would otherwise end, but shall continue to hold such office thereafter until the Annual General Meeting next following his or her ceasing to be an Officer.

An Executive Committee Member who retires at an Annual General Meeting shall be eligible to offer himself or herself for re-election at the Annual General Meeting provided that no Executive Committee Member may be elected or appointed under Article 29(a) if, immediately prior to that Annual General Meeting, he or she has held such office continuously for (i) more than three consecutive terms and each term of five Service Years or (ii) more than fifteen consecutive Service Years.

The directors of the subsidiary during the year and up to the date of this report are :

Gaw Christina
Leung Sing Wing, Vincent
Leung Wing Ci, Winnie
Ma Kar Yiu, Caroline
Pang Tsun Loy, Michael
So Ho Ching, Paul

### EXECUTIVE COMMITTEE MEMBERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

At no time during or at the end of the financial year was the Association or its subsidiary a party to any arrangement to enable the Executive Committee members of the Association to acquire benefits by means of the acquisition of shares in, or debentures of, the Association or any other body corporate.

Save as disclosed in note 6 to the financial statements, no transaction, arrangement or contract of significance to which the Association or its subsidiary was a party, or in which an Executive Committee member of the Association had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year.

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## REPORT OF THE EXECUTIVE COMMITTEE (CONT'D)

### INDEMNITY OF EXECUTIVE COMMITTEE MEMBERS

No permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the Executive Committee members is currently in force and was in force throughout the year ended 31 August 2023.

### MANAGEMENT CONTRACTS

No management contract concerning the management and administration of the whole or any substantial part of the business of the Association was entered into or existed during the financial year.

### BUSINESS REVIEW AND COMMENTARY

General review of the business

The group was established to promote a closer union among its members – the alumni of Saint Paul's Co-educational College, for the purpose of mutual assistance and promotion of interests. It organized functions and programmes for the members on self-sufficient basis. It also relies on dividend income from investments to finance its daily operations.

The group has a surplus of HK$201,338 (2022: deficit of HK$388,631) during the year. In addition, a fair value gain on financial assets at fair value through other comprehensive income ("FVOCI") of HK$288,597 (Period ended 31/8/2022: fair value loss of HK$345,413) was included in the other comprehensive income for the year.

The total equity of the group at 31 August 2023 was HK$7,874,336 (2022: HK$7,336,801).

Key performance indicators

(1) Income and expenditures of functions and programmes

The group organized 12 functions and programmes (Period ended 31/8/2022: 6) for its members during the year. They were run under self-sufficient basis and derived a surplus of HK$123,142 (Period ended 31/8/2022: HK$231,991).

(2) Yield on financial assets at FVOCI

The group invested in listed securities to earn dividend income. Yield on investments, calculated by taking the dividend income and dividing it by the fair value of the investments, measures the investment efficiency of the financial assets at FVOCI.

The overall yield on the financial assets at FVOCI at 31 August 2023 was 5.5% (2022: 4.7%).

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## REPORT OF THE EXECUTIVE COMMITTEE (CONT'D)

## BUSINESS REVIEW AND COMMENTARY (CONT'D)

Principal risks and uncertainties

The group organized functions and programmes for its members. The Executive Committee members closely monitors the income and expenditures of these activities to ensure they were run under self-sufficient basis.

The dividend income from financial assets at FVOCI is also the main source of revenue for the group. The Executive Committee members evaluates factors which may affect the yield and price of the investments, particularly the changes in the external economic environment, on a regular basis.

## HONOURARY AUDITOR

The financial statements have been audited by Tai Kong CPA Limited who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Tai Kong CPA Limited as the honourary auditor of the Association is to be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE EXECUTIVE COMMITTEE

LEUNG WING CI, WINNIE

CHAIRMAN

Date : 10 JAN 2024

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 AUGUST 2023**

| | NOTE | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|---|
| REVENUE | 3 | 554,735 | 389,413 |
| OTHER INCOME | 3 | 939,747 | 689,619 |
| TOTAL OPERATING EXPENSES | | (1,293,144) | (1,467,663) |
| SURPLUS/(DEFICIT) BEFORE TAXATION | 4 | 201,338 | (388,631) |
| TAXATION | 5(a) | - | - |
| SURPLUS/(DEFICIT) FOR THE YEAR/PERIOD | | 201,338 | (388,631) |
| OTHER COMPREHENSIVE INCOME :- | | | |
| Items that will not be reclassified subsequently to surplus or deficit :- | | | |
| Financial assets at fair value through other comprehensive income ("FVOCI") – fair value change during the year/period | 9 | 288,597 | (345,413) |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD | | 288,597 | (345,413) |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD | | 489,935 | (734,044) |

The notes on pages 11 to 29 form part of these financial statements.

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 AUGUST 2023

| | Entrance fund HK$ | General reserve HK$ | Accumulated surplus HK$ | Fair value reserve HK$ | Total HK$ |
|---|---|---|---|---|---|
| Balance at 1 July 2021 | 1,604,856 | 280,067 | 4,813,335 | 1,340,687 | 8,038,945 |
| Entrance fee received during the period | 31,900 | - | - | - | 31,900 |
| Deficit for the period | - | - | (388,631) | - | (388,631) |
| Other comprehensive loss for the period | - | - | - | (345,413) | (345,413) |
| Balance at 31 August 2022 and 1 September 2022 | 1,636,756 | 280,067 | 4,424,704 | 995,274 | 7,336,801 |
| Entrance fee received during the year | 47,600 | - | - | - | 47,600 |
| Surplus for the year | - | - | 201,338 | - | 201,338 |
| Other comprehensive income for the year | - | - | - | 288,597 | 288,597 |
| Balance at 31 August 2023 | 1,684,356 | 280,067 | 4,626,042 | 1,283,871 | 7,874,336 |

The notes on pages 11 to 29 form part of these financial statements.

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 AUGUST 2023

| | NOTE | 2023 HK$ | 2022 HK$ |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 7 | - | 884 |
| Financial assets at FVOCI | 8 | 7,431,015 | 6,949,883 |
| | | 7,431,015 | 6,950,767 |
| CURRENT ASSETS | | | |
| Prepayments | | 364,564 | 165,970 |
| Cash at banks and in hand | | 972,037 | 566,505 |
| | | 1,336,601 | 732,475 |
| CURRENT LIABILITIES | | | |
| Other payables | | 35,819 | 35,818 |
| Receipt in advance | | 857,461 | 310,623 |
| | | (893,280) | (346,441) |
| NET CURRENT ASSETS | | 443,321 | 386,034 |
| NET ASSETS | | 7,874,336 | 7,336,801 |

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 AUGUST 2023 (CONT'D)**

| | NOTE | 2023 HK$ | 2022 HK$ |
|---|---|---|---|
| Financed by :- | | | |
| ENTRANCE FUND | | 1,684,356 | 1,636,756 |
| GENERAL RESERVE | | 280,067 | 280,067 |
| ACCUMULATED SURPLUS | | 4,626,042 | 4,424,704 |
| FAIR VALUE RESERVE | 9 | 1,283,871 | 995,274 |
| TOTAL EQUITY | | 7,874,336 | 7,336,801 |

Approved and authorized for issue by the Executive Committee on 10 JAN 2024

Leung Wing Ci, Winnie
Executive Committee Member

Pang Tsun Loy, Michael
Executive Committee Member

The notes on pages 11 to 29 form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 AUGUST 2023**

| | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Surplus/(deficit) before taxation | 201,338 | (388,631) |
| Adjustments for :- | | |
| Bank interest income | (682) | (3) |
| Depreciation | 884 | 884 |
| Dividend income | (411,738) | (324,311) |
| DEFICIT BEFORE CHANGES IN WORKING CAPITAL | (210,198) | (712,061) |
| (Increase)/decrease in prepayments | (198,594) | 44,600 |
| Increase in other payables | 1 | 1,135 |
| Increase/(decrease) in receipt in advance | 546,838 | (43,397) |
| | 348,245 | 2,338 |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES | 138,047 | (709,723) |
| INVESTING ACTIVITIES | | |
| Bank interest received | 682 | 3 |
| Dividend received | 411,738 | 324,311 |
| Proceed on investment in financial assets | (192,535) | - |
| NET CASH FROM INVESTING ACTIVITIES | 219,885 | 324,314 |
| NET CASH FROM/(USED IN) OPERATING AND INVESTING ACTIVITIES CARRIED DOWN | 357,932 | (385,409) |

The notes on pages 11 to 29 form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 AUGUST 20232 (CONT'D)**

| | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|
| NET CASH FROM/(USED IN) OPERATING AND INVESTING ACTIVITIES BROUGHT DOWN | 357,932 | (385,409) |
| FINANCING ACTIVITY | | |
| Life-member entrance fee received | 47,600 | 31,900 |
| NET CASH FROM FINANCING ACTIVITY | 47,600 | 31,900 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 405,532 | (353,509) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD | 566,505 | 920,014 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD | 972,037 | 566,505 |
| CASH AND CASH EQUIVALENTS REPRESENTS :- | | |
| Cash at banks and in hand | 972,037 | 566,505 |

The notes on pages 11 to 29 form part of these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS

### 1. PRINCIPAL ACTIVITY

The Association is incorporated in Hong Kong and limited by guarantee. The address of its registered office and principal place of operation is 33 MacDonnell Road, Hong Kong.

The principal activities of the Association are the promotion of common interests of its members and investment holding. The principal activity and other particulars of the subsidiary are set out in note 13(a) to the financial statements.

### 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, 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 (Cap. 622) ("HKCO").

A summary of the significant accounting policies adopted by the group is set out below.

(b) Basis of preparation

The consolidated financial statements for the year ended 31 August 2023 comprises the Association and its subsidiary (together referred to as the "group"). The financial statements have been prepared under the historical cost convention, except those items explained in the following notes.

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period. None of these developments are relevant to the group.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Critical accounting estimates and judgments

In the application of the group's accounting policies, which are described below, the Executive Committee members of the Association are required to make judgments, estimates and assumptions about the reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

**NOTES TO THE FINANCIAL STATEMENTS**

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Critical accounting estimates and judgments (cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings is the critical judgment that the Executive Committee members of the Association have made in the process of applying the group's accounting policies and that has the most significant effect on the amounts recognized in the consolidated financial statements :-

Key sources of estimation uncertainty – Impairment loss of investment in a subsidiary

The Association held an investment in a subsidiary of HK$1 at the end of reporting period. The Executive Committee members of the Association assessed to any objective evidence of impairment loss of the subsidiary and considered that there is no material impairment loss for the year. These assessments are based on the financial statements of the subsidiary. If the financial condition of the subsidiary was to deteriorate, impairment allowance may be required.

(e) Subsidiary

Subsidiary is entity controlled by the group. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

In the Association's statement of financial position, an investment in a subsidiary is stated at cost less any impairment losses (note 2(k)).

(f) Investments and other financial assets

(1) Classification

The group classifies its financial assets in the following measurement categories :-

- those to be measured subsequently at fair value (either other comprehensive income or profit or loss); and
- those to be measured at amortized cost.

**NOTES TO THE FINANCIAL STATEMENTS**

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments and other financial assets (cont'd)

(1) Classification (cont'd)

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

(2) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(3) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Trade receivables, contracts assets and contract liabilities

A receivable is recognized when the group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognized before the group has an unconditional right to receive consideration, the amount is presented as a contract asset. Receivables are stated at amortized cost using the effective interest method less allowance for credit losses.

A contract asset is recognized when the group recognizes revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses and are classified to receivables when the right to the consideration has become unconditional. A contract liability is recognized when the customer pays consideration, or has an unconditional right to consideration (in such case, a corresponding receivable is recognized), before the group recognizes the related revenue.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments and other financial assets (cont'd)

(3) Measurement (cont'd)

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gains/(losses) in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(g) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(j)). The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use. Expenditure incurred after the plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to profit or loss in the period in which they are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the plant and equipment, the expenditure is capitalized as an additional cost of the plant and equipment. When assets are sold or retired, their cost and accumulated depreciation and impairment losses are removed from the financial statements and any gain or loss resulting from their disposal is recognized in profit or loss.

Depreciation is provided to write off the cost of office furniture and equipment over its estimated useful life on a straight line basis at an annual rate of 20%.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(h) 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 group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for expected credit losses (ECLs) in accordance with the policy set out in note 2(i).

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of financial assets

The loss allowance is measured at an amount equal to lifetime expected credit losses (ECLs), which are those losses that are expected to occur over the expected life of the financial assets measured at amortized amount (including cash and cash equivalents and other receivables). The loss allowance is estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognized as an impairment gain or loss in profit or loss. The company recognizes an impairment gain or loss with a corresponding adjustment to the carrying amount of financial assets through a loss allowance account.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(j) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the plant and equipment, and investment in a subsidiary in the Association's statement of financial position may be impaired or an impairment loss previously recognized no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment of other assets (cont'd)

- Recognition of impairment losses

An impairment loss is recognized in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

- Reversals of impairment losses

If there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized, the carrying amount of the asset shall be increased to its recoverable amount and the impairment loss previously recognized shall be reversed immediately in profit or loss. When doing so, the increased carrying amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

(k) Payables

Payables are initially recognized at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Employee benefits

(1) Salaries, annual bonuses, paid annual leave, leave passage and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(2) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognized as an expense in profit or loss as incurred.

(3) The group is obliged to make lump sum long service payments under the Hong Kong Employment Ordinance on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the contributions made under the Hong Kong Mandatory Provident Fund Schemes Ordinance.

The obligation is calculated using the projected unit credit method, discounted to its present value. The discount rate used is the yield at the end of the reporting period on high quality government bonds that have maturity dates approximating the terms of the group's obligations. The group does not set aside any assets to fund any remaining obligation.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Employee benefits (cont'd)

(4) Termination benefits are recognized when, and only when, the group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(m) Income tax

(1) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

(2) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

(3) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

(4) Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilized.

(5) The amount of deferred tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Income tax (cont'd)

(6) The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

(7) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the group has the legally enforceable right to set off current tax assets against current tax liabilities.

(n) Revenue and other income

Income is classified by the group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the company's business.

Revenue is recognized when control over a product or service is transferred to the customer, at the amount of promised consideration to which the group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax and sales taxes and is after deduction of any trade discounts.

Further details of the group's revenue and other income recognition policies are as follows :-

(1) Income from activities are recognized at a point in time when the activities are completed.

(2) Sales of souvenirs are recognized at a point in time when the customer takes possession of and accepts the products.

(3) Interest income from bank deposits is accrued using effective interest method.

(4) Dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.

(5) Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the group will comply with the conditions attaching to them. Grants that compensate the group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

**SAINT PAUL'S CO-EDUCATIONAL COLLEGE ALUMNI ASSOCIATION LIMITED**
聖保羅男女中學校友會有限公司
(Incorporated in Hong Kong and limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue and other income (cont'd)

Further details of the group's revenue and other income recognition policies are as follows :- (cont'd)

(6) Subsidy from the Council of St. Paul's Co-educational College Charitable Trust ("the Council of SPCC") is recognized upon the receipt of subsidy.

(7) Sundry income is recognized on an accrual basis.

(o) Translation of foreign currencies

Items included in the financial statements of the Association and its subsidiary are measured using Hong Kong dollars, the currency of the primary economic environment in which it operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars.

Foreign currency transactions during the year are translated at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognized in profit or loss.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the group initially recognizes such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

(p) Related parties

(1) A person, or a close member of that person's family, is related to the group if that person :-

(i) has control or joint control over the group;

(ii) has significant influence over the group; or

(iii) is a member of the key management personnel of the group or the group's parent.

(2) An entity is related to the group if any of the following conditions applies :-

(i) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

**NOTES TO THE FINANCIAL STATEMENTS**

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(p) Related parties (cont'd)

(2) An entity is related to the group if any of the following conditions applies :- (cont'd)

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.

(vi) The entity is controlled or jointly controlled by a person identified in (1).

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

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**NOTES TO THE FINANCIAL STATEMENTS**

## 3. REVENUE AND OTHER INCOME

| | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|
| Revenue from activities :- | | |
| Income from Alumni Choir Concerts | 14,960 | 25,980 |
| Income from aroma stones making workshop | 4,800 | - |
| Income from basketball league | - | 84,288 |
| Income from carol service | 14,300 | 3,000 |
| Income from dragon boat team | 111,250 | - |
| Income from happy hours drinks | 57,600 | - |
| Income from POM POM coasters making workshop | 3,040 | - |
| Income from runners' training class | 22,500 | - |
| Income from spring dinner | 198,000 | - |
| Income from summer gathering | 124,500 | 269,630 |
| Income from visit to day activity centre | - | 3,200 |
| | 550,950 | 386,098 |
| Sales of souvenirs | 3,785 | 3,315 |
| | 554,735 | 389,413 |
| Other income represents :- | | |
| Dividend income from listed investments | 411,738 | 324,311 |
| Bank interest income | 682 | 3 |
| Government grants (note) | 2,400 | 21,600 |
| Sundry income | 11,047 | 13,705 |
| Subsidy from the SPCC Council Trust Fund | 513,880 | 330,000 |
| | 939,747 | 689,619 |

Note :

During the year/period, the company successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Government. The purpose of the funding is to provide financial support to employers to retain their current employees or hire more employees when the business revives. Under the terms of the grant, the company is required to employ a sufficient number of employees with reference to its proposed employee headcounts in each subsidy month.

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## NOTES TO THE FINANCIAL STATEMENTS

### 4. SURPLUS/(DEFICIT) BEFORE TAXATION

| | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|
| Surplus/(deficit) before taxation is arrived at after charging :- | | |
| Auditor's remuneration | - | - |
| Depreciation | 884 | 884 |
| Staff costs | 301,233 | 330,675 |

### 5. TAXATION

(a) No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Association's estimated assessable profits are wholly set off by the unutilized tax losses brought forward from previous years and the subsidiary sustained a tax loss for the year (Period ended 31/8/2022: HK$Nil).

(b) Reconciliation between tax expense and accounting surplus/(deficit) at applicable tax rates :-

| | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|
| Surplus/(deficit) before tax | 201,338 | (388,631) |
| Tax at the applicable tax rate of 16.5% (2022: 16.5%) | 33,220 | (64,124) |
| Tax effect of non-taxable income | (68,445) | (57,076) |
| Tax effect of non-deductible expenses | 45,196 | 132,000 |
| Tax effect of tax loss not recognized | 28,525 | 4,295 |
| Tax effect of utilization of tax losses brought forward | (38,637) | (15,235) |
| Others | 141 | 140 |
| Tax expense | - | - |

(c) Deferred tax liability has not been provided as the effect of all temporary differences is immaterial.

(d) At 31 August 2023, the group did not recognize deferred tax assets of HK$341,198 (2022: HK$351,309) in respect of accumulated tax losses totalled to HK$2,067,871 (2022: HK$2,129,154) that can be carried forward against future taxable income as the realization of related tax benefit through the future taxable profit is not probable.

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**NOTES TO THE FINANCIAL STATEMENTS**

## 6. EXECUTIVE COMMITTEE MEMBERS' EMOLUMENTS, KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTION

(a) The Association's Executive Committee members' emoluments disclosed pursuant to section 383(1) of the HKCO and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows :-

| | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|
| Fees | - | - |
| Other emoluments | | |
| - Salaries, allowance and benefits in kind | - | - |
| - Retirement benefits | - | - |

(b) No key management personnel compensation paid or payable during the year (Period ended 31/8/2022: HK$Nil).

(c) Related party transactions

In addition to (a) and (b), the group had the following material related party transactions during the year/period :-

| Nature of transactions | Relationship | Note | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|---|---|
| Printing and stationery | Related company | (i) | 8,152 | 9,249 |
| Workshop expenses | Related company | (i) | 7,840 | - |

Note :-

(i) The Executive Committees, Pang Chun Loy, Michael and Leung Wing Ci, Winnie, are director and council member respectively of the related company, a non-profit making organization.

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**NOTES TO THE FINANCIAL STATEMENTS**

## 7. PLANT AND EQUIPMENT

| Office furniture and equipment | HK$ |
|---|---|
| Cost :- | |
| At 1 July 2021, 31 August 2022, 1 September 2022 and 31 August 2023 | 289,161 |
| Aggregate depreciation :- | |
| At 1 July 2021 | 287,393 |
| Charge for the period | 884 |
| At 31 August 2022 and 1 September 2022 | 288,277 |
| Charge for the year | 884 |
| At 31 August 2023 | 289,161 |
| Net book value :- | |
| At 31 August 2023 | - |
| At 31 August 2022 | 884 |

## 8. FINANCIAL ASSETS AT FVOCI

| Equity securities listed in Hong Kong at FVOCI :- | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|
| HSBC Holdings plc | 5,240,946 | 4,328,122 |
| CK Hutchison Holdings Limited | 175,446 | 208,278 |
| Link Real Estate Investment Trust | 1,016,223 | 1,324,583 |
| CLP Holdings Limited | 430,500 | 473,900 |
| Tracker Fund of Hong Kong | 567,900 | 615,000 |
| | 7,431,015 | 6,949,883 |

All these investments are designated as at FVOCI because they are held for strategic purposes. Dividends of HK$411,738 (Period ended 31/8/2022: HK$324,311) were received on these investments during the year/period.

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**NOTES TO THE FINANCIAL STATEMENTS**

## 9. FAIR VALUE RESERVE

| | Year ended 31/8/2023 HK$ | From 1/7/2021 to 31/8/2022 HK$ |
|---|---|---|
| Balance at the beginning of year | 995,274 | 1,340,687 |
| Net change in fair value of the financial assets at FVOCI during the year/period | 288,597 | (345,413) |
| Balance at the end of year | 1,283,871 | 995,274 |

The fair value reserve comprises the cumulative net change in the fair value of financial assets at FVOCI held at the end of the reporting period (see note 8) and is dealt with in accordance with the accounting policies in note 2(f).

## 10. CAPITAL MANAGEMENT

The group has no regular source of income and is dependent on entrance fees paid by the Association's members, dividend income from listed investments and to run various functions or programmes on self-sufficient basis. The group is not subject to externally imposed capital requirements.

## 11. MANAGEMENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

Exposure to credit and price risks arises in the normal course of the group's business. The group's exposure to these risks and the financial risk management policies and practices used by the group to manage these risks are described below.

(a) Credit risk

The group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies, for which the group considers to have low credit risk.

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## 11. MANAGEMENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT (CONT'D)

(b) Price risk

At 31 August 2023, the group was exposed to equity price risk on the equity investments, which is listed on the Stock Exchange of Hong Kong Limited. In assessing the equity price risk, the group has prepared a sensitivity analysis after having taken into consideration the reasonably possible changes in stock price occurred at the end of the reporting period and applied to the exposure to equity price risk in existence at the end of the reporting period. If the market price had been 5% (2022: 5%) higher/lower with all other variables held constant, the group's other comprehensive income would have been HK$371,551 (2022: HK$347,494) higher/lower, mainly as a result of higher/lower fair value of the equity investments.

(c) Fair value measurement

(1) Financial assets measured at fair value

The following table presents the fair value of the group's financial assets measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows :-

- Level 1 valuations: Fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

| | Year ended 31/8/2023 HK$ Level 1 | From 1/7/2021 to 31/8/2022 HK$ Level 1 |
|---|---|---|
| Recurring fair value measurement :- | | |
| Financial assets at FVOCI | 7,431,015 | 6,949,883 |

During the year/period, there was no transfer between level 1, level 2 and level 3 fair value measurements.

(2) Fair value

All other financial instruments are carried at amounts not materially different from their fair values as at 31 August 2023 and 2022 because of their immediate or short term maturity.

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**NOTES TO THE FINANCIAL STATEMENTS**

## 12. STATEMENT OF FINANCIAL POSITION OF THE ASSOCIATION

| | NOTE | 2023 HK$ | 2022 HK$ |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Plant and equipment | | - | 884 |
| Financial assets at FVOCI | | 7,431,015 | 6,949,883 |
| Investment in a subsidiary | 12(a) | 1 | 1 |
| | | 7,431,016 | 6,950,768 |
| CURRENT ASSETS | | | |
| Amount due from a subsidiary | | 699,112 | 423,112 |
| Cash at banks and in hand | | 168,850 | 214,679 |
| | | 867,962 | 637,791 |
| CURRENT LIABILITIES | | | |
| Accruals and other payables | | (35,819) | (35,818) |
| NET CURRENT ASSETS | | 832,143 | 601,973 |
| NET ASSETS | | 8,263,159 | 7,552,741 |
| Financed by :- | | | |
| ENTRANCE FUND | 12(b) | 1,684,356 | 1,636,756 |
| GENERAL RESERVE | 12(b) | 280,067 | 280,067 |
| ACCUMULATED SURPLUS | 12(b) | 5,014,865 | 4,640,644 |
| FAIR VALUE RESERVE | 12(b) | 1,283,871 | 995,274 |
| TOTAL EQUITY | | 8,263,159 | 7,552,741 |

Approved and authorized for issue by the Executive Committee on 10 JAN 2024

Leung Wing Ci, Winnie
Executive Committee Member

Pang Tsun Loy, Michael
Executive Committee Member

**SAINT PAUL'S CO-EDUCATIONAL COLLEGE ALUMNI ASSOCIATION LIMITED**
聖保羅男女中學校友會有限公司
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**NOTES TO THE FINANCIAL STATEMENTS**

## 12. STATEMENT OF FINANCIAL POSITION OF THE ASSOCIATION (CONT'D)

(a) The particulars of the subsidiary are as follows :-

| Name of company | Place of incorporation and operation | Particulars of capital | Portion of ownership interest | Principal activity |
|---|---|---|---|---|
| SPCCAA Events Limited | Hong Kong | Ordinary share | 100% | Organizing activities for members of the Association |

(b) Movement of the Association's components of equity :-

| | Entrance fund HK$ | General reserve HK$ | Accumulated surplus HK$ | Fair value reserve HK$ | Total equity HK$ |
|---|---|---|---|---|---|
| Balance at 1 July 2021 | 1,604,856 | 280,067 | 5,121,611 | 1,340,687 | 8,347,221 |
| Entrance fee received | 31,900 | - | - | - | 31,900 |
| Deficit for the period | - | - | (480,967) | - | (480,967) |
| Other comprehensive loss for the period | - | - | - | (345,413) | (345,413) |
| Balance at 31 August 2022 and 1 September 2022 | 1,636,756 | 280,067 | 4,640,644 | 995,274 | 7,552,741 |
| Entrance fee received | 47,600 | - | - | - | 47,600 |
| Surplus for the year | - | - | 374,221 | - | 374,221 |
| Other comprehensive income for the year | - | - | - | 288,597 | 288,597 |
| Balance at 31 August 2023 | 1,684,356 | 280,067 | 5,014,865 | 1,283,871 | 8,263,159 |

**NOTES TO THE FINANCIAL STATEMENTS**

## 13. HONG KONG FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 AUGUST 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard (collectively, the "Changes") which are not yet effective for the year ended 31 August 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the group.

| | Effective for accounting periods beginning on or after |
|---|---|
| Amendments to HKAS 1, Presentation of financial statements : Classification of liabilities as current or non-current | 1 January 2023 |
| Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements : Disclosure of accounting policies | 1 January 2023 |
| Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors : Definition of accounting estimates | 1 January 2023 |
| Amendments to HKAS 12, Income taxes : Deferred tax related to assets and liabilities arising from a single transaction | 1 January 2023 |

The Executive Committee members anticipate that the applicable Changes will have no material impact on the financial performance and position of the group.

戴江會計師事務所有限公司
TAI KONG CPA LIMITED
Certified Public Accountants (Practising)

香港九龍尖沙咀廣東道5號
海港城海洋中心8樓823-825室
電話：(852) 2892 2800
傳真：(852) 2834 8777
電郵：info@tkcpa.com.hk
網址：www.tkcpa.com.hk

Suites 823-825, 8/F, Ocean Centre,
Harbour City, 5 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong
Tel : (852) 2892 2800
Fax : (852) 2834 8777
E-mail : info@tkcpa.com.hk
Website : www.tkcpa.com.hk



**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF SAINT PAUL'S CO-EDUCATIONAL COLLEGE ALUMNI ASSOCIATION LIMITED**
聖保羅男女中學校友會有限公司
(Incorporated in Hong Kong and limited by guarantee)

## Opinion

We have audited the consolidated financial statements of Saint Paul's Co-educational College Alumni Association Limited and its subsidiary ("the Group") set out on pages 5 to 29, which comprise the consolidated statement of financial position as at 31 August 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 August 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance ("HKCO").

## Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The Executive Committee members are responsible for the financial and non-financial information included in the report of the Executive Committee ("other information") which accompanies the consolidated financial statements.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

戴江會計師事務所有限公司
TAI KONG CPA LIMITED
Certified Public Accountants (Practising)

香港九龍尖沙咀廣東道5號
海港城海洋中心8樓823-825室
電話：(852) 2892 2800
傳真：(852) 2834 8777
電郵：info@tkcpa.com.hk
網址：www.tkcpa.com.hk

Suites 823-825, 8/F, Ocean Centre,
Harbour City, 5 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong
Tel : (852) 2892 2800
Fax : (852) 2834 8777
E-mail : info@tkcpa.com.hk
Website : www.tkcpa.com.hk



**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF SAINT PAUL'S CO-EDUCATIONAL COLLEGE ALUMNI ASSOCIATION LIMITED (CONT'D)**
聖保羅男女中學校友會有限公司
(Incorporated in Hong Kong and limited by guarantee)

**Executive Committee members' responsibility and those charged with governance for the consolidated financial statements**

The Executive Committee members are also responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the HKCO, and for such internal control as the Executive Committee members determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Executive Committee members are responsible for assessing the Group'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 Executive Committee members either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Auditor's responsibility for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

This report is made solely to you, as a body, in accordance with section 405 of the HKCO, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 the Group's internal control.

戴江會計師事務所有限公司
**TAI KONG CPA LIMITED**
Certified Public Accountants (Practising)

香港九龍尖沙咀廣東道5號
海港城海洋中心8樓823-825室
電話：(852) 2892 2800
傳真：(852) 2834 8777
電郵：info@tkcpa.com.hk
網址：www.tkcpa.com.hk

Suites 823-825, 8/F, Ocean Centre,
Harbour City, 5 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong
Tel : (852) 2892 2800
Fax : (852) 2834 8777
E-mail : info@tkcpa.com.hk
Website : www.tkcpa.com.hk



**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF SAINT PAUL'S CO-EDUCATIONAL COLLEGE ALUMNI ASSOCIATION LIMITED (CONT'D)**
聖保羅男女中學校友會有限公司
(Incorporated in Hong Kong and limited by guarantee)

**Auditor's responsibility for the audit of the consolidated financial statements (cont'd)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee members.

- Conclude on the appropriateness of the Executive Committee members' 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 the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entites or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Tai Kong CPA Limited
Certified Public Accountants (Practising)

Hong Kong : 10 JAN 2024

Tai Hay Yuen
Practising Certificate Number : P00694