

**PEAK SCHOOL PARENT TEACHERS
ASSOCIATION LIMITED
(LIMITED BY GUARANTEE)**

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

H. H. LIU & CO.
CERTIFIED PUBLIC ACCOUNTANTS

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
REPORT OF COMMITTEE MEMBERS

The Executive Committee of the Association has pleasure in submitting the annual report together with the audited financial statements for the year ended 31 July 2014.

PRINCIPAL ACTIVITIES

The Association is a non-profit making and approved trust of a public character. It works to improve educational outcomes by raising funds and facilitating relationships between Peak School teachers and parents of students.

FINANCIAL RESULTS

The results of the Association for the year ended 31 July 2014 and the state of its affairs at that date are set out in the financial statements on pages 6 to 16.

COMMITTEE MEMBERS

The committee members during the year and up to the date of this report were:

Naomi Weir	
Nichola Corrado	
Chris Cosgrove	
Simon Cook	(resigned on 10 October 2013)
Lara Fabiani	(resigned on 10 October 2013)
Katherine Judith Holly Jackson	(resigned on 10 October 2013)
Liselle Carey	(resigned on 10 October 2013)
Andrew Basham	
Emma Gardner	(resigned on 10 October 2013)
Masako Peate	(appointed on 10 October 2013)
Jane Peters	(appointed on 10 October 2013)
Katrina Brasington	(appointed on 10 October 2013)
Victoria Arianeh Fouladi	(appointed on 10 October 2013)
Susan Gaylard	(appointed on 10 October 2013)
Francine Parker	(appointed on 10 October 2013)
Claire Kendall	(appointed on 23 June 2014)

In accordance with the Association's Articles of Association, all committee members retire in the forthcoming annual general meeting, and being eligible, offer themselves for re-election.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
REPORT OF COMMITTEE MEMBERS (CONTINUED)

COMMITTEE MEMBERS' INTERESTS IN CONTRACTS

No contracts of significance to which the Association was a party and in which a committee member 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 CONTRACT

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.

AUDITORS

A resolution for the reappointment of Messrs. H. H. Liu & Co. as auditors of the Association is to be proposed at the forthcoming annual general meeting.

FOR AND ON BEHALF OF
THE EXECUTIVE COMMITTEE

CHAIRMAN
HONG KONG

廖慶雄會計師事務所

H. H. LIU & CO., *Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Report on the Financial Statements

We have audited the financial statements of Peak School Parent Teachers Association Limited (The Association) set out on pages 6 to 16, which comprise the statement of financial position as at 31 July 2014, and the income and expenditure account and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Committee Members' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 about whether the financial statements are free from material misstatement.

廖慶雄會計師事務所

H. H. LIU & CO., *Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF
PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Auditor's Responsibility (Continued)

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 judgment, 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 of 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee members, 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.

Basis for Qualified Opinion

The Association, in common with many others of similar size and organization, derives a substantial proportion of its income from various sources, the completeness of which is not susceptible to independent audit verification. Accordingly, verification of these sources of income was limited to the amounts recorded in the Association's records. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the recorded income was free from material misstatement.

We did not attend the physical stocktaking necessary to obtain adequate assurance regarding the quantities and condition of inventories, appearing in the statement of financial position at HK\$213,313. There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence, regarding the existence, condition and valuation of inventories. Any adjustment to the figure may have a consequential significant effect on the surplus for the year and net assets as at 31 July 2014.

廖慶雄會計師事務所

H. H. LIU & CO., *Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF
PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Qualified Opinion arising from Limitation of Audit Scope

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the completeness of income, the financial statements give a true and fair view of the state of the Association's affairs as at 31 July 2014 and of its surplus and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards For Private Entities and have been properly prepared in accordance with the predecessor Hong Kong Companies Ordinance, Cap. 32.

Report on matters under sections 141(4) and 141(6) of the predecessor Hong Kong Companies Ordinance, Cap. 32

In respect alone of the limitation on our work relating to income and inventories:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper books of account had been kept.

H. H. Liu & Co.
Certified Public Accountants
Hong Kong :

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2014
(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
INCOME			
Annual subscriptions		59,950	81,925
Bus fees		2,735,940	2,892,602
Donations		50,400	85,300
Fund raising income	8	707,272	764,519
Bank interest income		2	7
Sundries		6,720	630
		<u>3,560,284</u>	<u>3,824,983</u>
EXPENDITURES			
Bus hire		2,598,428	2,119,758
Coordinator and helpers' expenses		189,375	180,380
Fund raising expenses	9	469,015	551,573
School funding	10	168,646	644,569
Administrative expenses	11	27,348	23,677
		<u>3,452,812</u>	<u>3,519,957</u>
SURPLUS FOR THE YEAR	7	<u>107,472</u>	<u>305,026</u>

The accompanying notes form an integral part of these financial statements.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2014

(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
ASSETS			
CURRENT ASSETS			
Inventory		213,313	276,434
Prepayment		-	15,080
Cash and bank balances	6	<u>2,446,498</u>	<u>1,732,895</u>
TOTAL CURRENT ASSETS		<u>2,659,811</u>	<u>2,024,409</u>
TOTAL ASSETS		<u>2,659,811</u>	<u>2,024,409</u>
 LIABILITIES AND GENERAL FUND			
CURRENT LIABILITIES			
Accruals		386,025	367,970
Receipt in advance		<u>522,375</u>	<u>12,500</u>
TOTAL CURRENT LIABILITIES		<u>908,400</u>	<u>380,470</u>
TOTAL LIABILITIES		<u>908,400</u>	<u>380,470</u>
 GENERAL FUND			
General fund	7	<u>1,751,411</u>	<u>1,643,939</u>
TOTAL GENERAL FUND		<u>1,751,411</u>	<u>1,643,939</u>
TOTAL LIABILITIES AND GENERAL FUND		<u>2,659,811</u>	<u>2,024,409</u>

Approved and authorised for issue by
the Executive Committee on:

Committee member

Committee member

The accompanying notes form an integral part of these financial statements.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2014
(Expressed in Hong Kong Dollars)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	107,472	305,026
Adjustments for:		
Interest income	<u>(2)</u>	<u>(7)</u>
	107,470	305,019
Decrease / (Increase) in inventories	63,121	(276,434)
Decrease / (Increase) in prepayment	15,080	(15,080)
Increase / (Decrease) in accruals	18,055	(453,450)
Increase in receipt in advance	<u>509,875</u>	<u>12,500</u>
CASH GENERATED FROM / (USE FOR) OPERATIONS	713,601	(427,445)
Interest received	<u>2</u>	<u>7</u>
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	<u>713,603</u>	<u>(427,438)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	713,603	(427,438)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,732,895</u>	<u>2,160,333</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>2,446,498</u></u>	<u><u>1,732,895</u></u>

The accompanying notes form an integral part of these financial statements.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 JULY 2014

(Expressed in Hong Kong Dollars)

	<u>Bus fund</u>	<u>Centenary fund</u>	<u>General administration fund</u>	<u>Total</u>
As at 1 August 2012	-	170,273	1,168,640	1,338,913
Total comprehensive income for the year	<u>582,602</u>	<u>(21,300)</u>	<u>(256,276)</u>	<u>305,026</u>
As at 31 July 2013	582,602	148,973	912,364	1,643,939
Total comprehensive income for the year	<u>(51,863)</u>	<u>(7,778)</u>	<u>167,113</u>	<u>107,472</u>
As at 31 July 2014	<u>530,739</u>	<u>141,195</u>	<u>1,079,477</u>	<u>1,751,411</u>

The accompanying notes form an integral part of these financial statements.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014
(Expressed in Hong Kong Dollars)

1. GENERAL

The Association is incorporated in Hong Kong. It is a Company limited by guarantee and not having a share capital.

The address of its registered office is 20 Plunkett's Road, The Peak, Hong Kong. The Association is a non-profit making and approved trust of a public character. It engaged in promoting co-operation between the Parents of the students of Peak School and the Teachers for the promotion of education.

The financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants and the predecessor Hong Kong Companies Ordinance, Cap. 32.

a. Revenue recognition

- (i) Donation is recognised on cash basis;
- (ii) Activities income is recognised on cash basis; and
- (iii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

(Expressed in Hong Kong Dollars)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

b. Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value, having been within three months of maturity, at acquisition.

Bank loans and overdrafts

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

3. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Association. They are based on historical experience and other factors, including expectations of future.

Estimated impairment of receivables

The Association records impairment of receivables based on an assessment of the recoverability of prepayments. The identification of doubtful debts requires the committee members' estimates. Where the expectation is different from the original estimate, such difference will impact the carrying values of the prepayment in the period in which such estimates have been changed.

4. REVENUE

Revenue represents bus fees, uniform sales, fund raising income and donations received during the year.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014
(Expressed in Hong Kong Dollars)

5. COMMITTEE MEMBERS' REMUNERATION

Committee members' emoluments disclosed pursuant to Section 161 of the predecessor Hong Kong Companies Ordinance, Cap. 32 is as follows :

	<u>2014</u>	<u>2013</u>
Committee members' emoluments :		
Fee	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

6. CASH AND BANK BALANCES

	<u>2014</u>	<u>2013</u>
Cash at bank	2,343,158	1,732,895
Cash in hand	103,340	-
	<u>2,446,498</u>	<u>1,732,895</u>

7. GENERAL FUND

	<u>2014</u>	<u>2013</u>
Accumulated fund brought forward	1,643,939	1,338,913
Surplus for the year	107,472	305,026
	<u>1,751,411</u>	<u>1,643,939</u>

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014
(Expressed in Hong Kong Dollars)

8. FUND RAISING INCOME

	<u>2014</u>	<u>2013</u>
Bingo	40,043	29,565
Centenary Fund	13,350	1,850
Talent Show	36,743	45,735
Dance-a-thon	24,461	36,597
Peak School Uniform	335,166	414,719
Yearbook and Photo Sales	105,155	97,945
Lantern Festival	102,329	100,410
Movie night	41,902	-
Treat Days	8,123	-
Quiz night sales	-	37,698
	<u>707,272</u>	<u>764,519</u>

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014
(Expressed in Hong Kong Dollars)

9. FUND RAISING EXPENSES

	<u>2014</u>	<u>2013</u>
Opening inventories	276,434	-
Purchase of Peak School Uniform	189,553	520,189
Less : closing inventories	<u>(213,313)</u>	<u>(276,434)</u>
	252,674	243,755
Dance-a-thon	11,173	14,247
Bingo	14,024	15,807
Centenary fund	21,130	23,150
Talent Show	2,823	8,642
Lantern Festival	48,726	51,199
Movie night	15,830	-
Year-book purchase	99,330	180,600
Quiz night expenses	-	14,173
Treat Days	<u>3,305</u>	<u>-</u>
	<u>469,015</u>	<u>551,573</u>

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014
(Expressed in Hong Kong Dollars)

10. SCHOOL FUNDING

	<u>2014</u>	<u>2013</u>
Greening Project	50,700	50,400
Year 6 Graduation	10,000	10,000
Teaching Resource	-	60,000
Carol Service	1,946	4,473
Shirt sponsorship	6,000	-
Contribution to School's decoration	-	* 375,000
Contribution to School's equipment	-	144,696
Contribution to School	** 100,000	-
	<u>168,646</u>	<u>644,569</u>

* The Association has been requested by the Peak School to contribute HK\$375,000 for the refurbishment of the school astroturf.

** Contribution for the School 2013/14 Wishlist.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014
(Expressed in Hong Kong Dollars)

11. ADMINISTRATIVE EXPENSES

	<u>2014</u>	<u>2013</u>
Auditors' remuneration	10,500	10,000
Bank charges	800	400
Sundry expenses	<u>16,048</u>	<u>13,277</u>
	<u>27,348</u>	<u>23,677</u>

12. TAXATION

The Association is exempted from Hong Kong profits tax under Section 88 of the Hong Kong Inland Revenue Ordinance.

13. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform with current year's presentation.