

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2015**

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PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

REPORT OF THE COMMITTEE MEMBERS

The Executive Committee has pleasure in submitting their report together with the audited financial statements of Peak School Parent Teachers Association Limited (the "Association") for the year ended 31 July 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Association is to improve educational outcomes by raising funds and facilitating relationships between Peak School teachers and parents of students. There are no significant changes compared with the activities conducted in previous year.

FINANCIAL STATEMENTS

The result of the Association for the year ended 31 July 2015 and the state of the Association's affairs as at that date are exhibited in the annexed audited financial statements.

FUND

Details of movements in reserves during the year are set out in the statement of changes in fund on page 7.

SHARE CAPITAL

The Association is limited by guarantee and does not have share capital. The liability of each of its members is limited to the extent of an amount not exceeding HK\$1.

COMMITTEE MEMBERS

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

Brian SCHROEDER	Chairperson	(Appointed on 8 September 2014)
Jane PETERS	Vice Chairman	
Andrew Roger BASHAM	Honorary Treasurer	
Claire KENDALL	Honorary Secretary	
Francine PARKER		
Katrina BRASINGTON		
Naomi WEIR		
Susan GAYLARD		
Victoria Arianeh FOULADI		
Alan NG		(Appointed on 10 October 2014 and resigned on 30 June 2015)
Chris COSGROVE		(Resigned on 26 May 2014)
Masako PEATE		(Resigned on 30 September 2014)
Nichola CORRADO		(Resigned on 10 October 2014)

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

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

REPORT OF THE COMMITTEE MEMBERS (Continued)

AUDITOR

The financial statements for the year were audited by Messrs. Cheng & Cheng Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Executive Committee

Brian SCHROEDER
Chairperson

Hong Kong, < date of approval >

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

(Incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

We have audited the financial statements of Peak School Parent Teachers Association Limited (the "Association") set out on pages 5 to 13, which comprise the statement of financial position as at 31 July 2015, and the statement of comprehensive income and expenditure, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, 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.

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.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE MEMBERS OF PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

(Incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 July 2015 and of its financial performance and cash flows for the year then ended in accordance with the HKFRS for Private Entities and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Other matter

The financial statements of the Association for the year ended 31 July 2014, were audited by another auditor who expressed an qualified opinion on those statements on 8 September 2014 in respect of limited verification of various source of income and without physical stocktaking. For the year ended 31 July 2015, the physical stocktaking was attended and control of income was improved, hence no qualified opinion has been issued.

Cheng & Cheng Limited
Certified Public Accountants

Hong Kong, < date of approval >

Cheng Hong Kei
Practising Certificate number P01806

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 July 2015

	Note	2015 HK\$	2014 HK\$
Current assets			
Inventories	3	400,147	213,313
Prepayment		16,200	-
Cash at bank and on hand		1,822,269	2,446,498
		<u>2,238,616</u>	<u>2,659,811</u>
Current liabilities			
Accruals		122,184	386,025
Receipt in advance		21,540	522,375
		<u>143,724</u>	<u>908,400</u>
Net current assets		<u>2,094,892</u>	<u>1,751,411</u>
Funds			
Bus Fund		811,007	530,739
Centenary Fund		126,686	141,195
General Administration Fund		1,157,199	1,079,477
	4	<u>2,094,892</u>	<u>1,751,411</u>

Signed on behalf of the Executive Committee by:-

Brian SCHROEDER
Chairperson

Andrew Roger BASHAM
Honorary Treasurer

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

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 31 July 2015

	Note	2015 HK\$	2014 HK\$
Income			
Annual subscriptions		93,740	59,950
Bus service income		3,404,715	2,735,940
Donation income		114,167	50,400
Peak school uniform		433,145	335,166
Fund raising income	5	591,408	372,106
Bank interest income		-	2
Sundries		-	6,720
		<u>4,637,175</u>	<u>3,560,284</u>
Expenditures			
Bus hire		(2,933,395)	(2,598,428)
Coordinator and helpers' expenses		(191,052)	(189,375)
Cost of uniform sold		(358,225)	(252,674)
Fund raising expenses	5	(223,548)	(216,341)
School funding	6	(556,151)	(168,646)
Administrative expenses	7	(31,323)	(27,348)
		<u>(4,293,694)</u>	<u>(3,452,812)</u>
Surplus for the year		<u>343,481</u>	<u>107,472</u>

There was no other comprehensive income or expenditure during the year.

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

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

STATEMENT OF CHANGES IN FUND

For the year ended 31 July 2015

	Bus Fund HK\$	Centenary Fund HK\$	General Administration Fund HK\$	Total HK\$
Balance at 1 August 2013	582,602	148,973	912,364	1,643,939
Surplus/(deficit) for the year	(51,863)	(7,778)	167,113	107,472
Total comprehensive income	(51,863)	(7,778)	167,113	107,472
Balance at 31 July 2014 and 1 August 2014	530,739	141,195	1,079,477	1,751,411
Surplus/(deficit) for the year	280,268	(14,509)	77,722	343,481
Total comprehensive income	280,268	(14,509)	77,722	343,481
Balance at 31 July 2015	811,007	126,686	1,157,199	2,094,892

The attached 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 2015

	Note	2015 HK\$	2014 HK\$
Operating activities			
Surplus for the year		343,481	107,472
Adjustments for:			
Interest income		-	(2)
Operating surplus before working capital changes		343,481	107,470
(Increase)/decrease in inventories		(186,834)	63,121
(Increase)/decrease in prepayment		(16,200)	15,080
(Decrease)/increase in sundry creditors and payables		(764,676)	527,930
Cash (used in)/generated from operations		(624,229)	713,601
Interest received		-	2
Net cash (used in)/from operating activities		(624,229)	713,603
Cash and cash equivalents at beginning of the year		2,446,498	1,732,895
Cash and cash equivalents at end of the year	8	1,822,269	2,446,498

The attached 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 2015

1. CORPORATE INFORMATION

Peak School Parent Teachers Association Limited is an association limited by guarantee, incorporated and domiciled in Hong Kong. The address of its registered office and principal place of operation is 20 Plunkett's Road, The Peak, Hong Kong.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong Dollars and all values are rounded to the nearest dollar unless otherwise stated.

The preparation of financial statements in conformity with the HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies.

(b) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the Association's statement of financial position when the Association becomes a party to the contractual provisions of the instrument. The following financial instruments are classified according to the management's intention on acquisition:-

Receivables

Receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

Payables

Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 July 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) INVENTORIES

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in first-out (FIFO) method. The cost of finished goods comprises uniform and stationary. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment deficit is recognized immediately in surplus or deficit.

(d) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand.

(e) INCOME TAX

The Association is a charitable institution and is exempted from all taxes under Section 88 of the Inland Income Ordinance (Cap. 112).

(f) INCOME RECOGNITION

Income is measured at the fair value of the consideration received or receivable and is shown net of discounts and returns.

Income is recognized in surplus or deficit provided it is probable that the economic benefits will flow to the Association and the income and costs, if applicable, can be measured reliably, as follows:

(i) Sales of uniform

Income is recognised when goods are delivered to the students which is taken to be the point in time when the student has accepted the goods and the related risks and rewards of ownership.

(ii) Bus service income

Bus service income is recognized whenever the services are completed. When the services are partly completed, the Association only recognizes the income to the extent of amount representing the proportion of services completed or equals to the amount received, whichever is lower.

(iii) Activities income

Donation income and fund raising income are recognised whenever they are received.

(iv) Subscription

Members' subscriptions are recognised whenever the membership is confirmed.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 July 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the Association operates ("the functional currency"). The financial statements are presented in Hong Kong Dollars ("HK\$"), which is the functional and presentation currency.

3. INVENTORIES

	2015	2014
	HK\$	HK\$
Uniform and stationery	<u>400,147</u>	<u>213,313</u>

The cost of inventories recognised as expense amounted to HK\$358,225 (2014: HK\$252,674).

4. FUNDS

The Association runs the school bus service on a breakeven basis, to keep bus user fees as low as possible. The Bus Fund is retained to pay for any unexpected shortfall in bus income in any given year; the Association aims to keep this fund at HK\$500,000 as a buffer for disruptive events.

The Centenary Fund is the retained surplus from the school's centenary celebrations. This fund is used solely to fund an annual artist in residence.

The General Administration Fund is the retained surplus from normal operation of the Association.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 July 2015

5. FUND RAISING EVENTS

	2015			2014		
	Income HK\$	Expenditure HK\$	Surplus HK\$	Income HK\$	Expenditure HK\$	Surplus HK\$
Fund raising events						
Bingo	42,014	6,928	35,086	40,043	14,024	26,019
Centenary Fund	-	14,509	(14,509)	13,350	21,130	(7,780)
Talent Show	33,129	800	32,329	36,743	2,823	33,920
Dance-a-thon	46,497	11,813	34,684	24,461	11,173	13,288
Yearbook Sales	112,450	99,330	13,120	105,155	99,330	5,825
Lantern Festival	98,392	64,685	33,707	102,329	48,726	53,603
Silent Auction	170,990	-	170,990	-	-	-
Movie night	51,173	12,433	38,740	41,902	15,830	26,072
Treat Days	9,463	2,600	6,863	8,123	3,305	4,818
Class T-shirt Sales	27,300	10,450	16,850	-	-	-
Net surplus of fund raising events	591,408	223,548	367,860	372,106	216,341	155,765

6. SCHOOL FUNDING

	2015 HK\$	2014 HK\$
Greening project	60,527	50,700
Year 6 graduation	5,000	10,000
Carol service	624	1,946
Shirt sponsorship	-	6,000
Contribution to school's Mathletics, home readers, language resources and library books	100,000	100,000
Contribution to school's play ground equipments	390,000	-
	556,151	168,646

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 July 2015

7. ADMINISTRATIVE EXPENSES

	2015	2014
	HK\$	HK\$
Auditors' remuneration	12,000	10,500
Bank charges	-	800
Sundry expenses	19,323	16,048
	<u>31,323</u>	<u>27,348</u>

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following item in the statement of financial position:-

	2015	2014
	HK\$	HK\$
Cash at bank and on hand	<u>1,822,269</u>	<u>2,446,498</u>

9. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Executive Committee on < date of approval >.