

## PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

### REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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# PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

## REPORT OF THE COMMITTEE MEMBERS

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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 2017.

### PRINCIPAL ACTIVITIES

The principal activities of the Association are 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 2017 and the Association's financial position 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 funds on page 8.

### 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:-

Ildiko Franciska FECSER	Chairperson	
Victoria Arianeh FOULADI	Co-Chair	
Richard John WILMOT	Honorary Secretary	(Appointed on 11 July 2017)
Andrew Roger BASHAM	Honorary Treasurer	
Brian SCHROEDER		(Resigned on 7 December 2016)
Jane PETERS		(Resigned on 30 June 2017)
Claire KENDALL		(Resigned on 11 July 2017)
CHEN Pei Yin		(Resigned on 29 August 2016)
Christopher James HATTAM		
LIU Kwun Shing Christopher		
Erica Marie SAVINI		
Joyce Chapman WILMOT		
Jennifer ANDREWS		(Appointed on 19 June 2017)

In accordance with Article 35 of 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)

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### REPORTING EXEMPTION

Since the Association falls within reporting exemption for the financial year in accordance with the Companies Ordinance, it has been exempted from certain disclosures in the report of the committee members and in the financial statements.

### 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

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Ildiko Franciska FECSER  
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)

#### **Opinion**

We have audited the financial statements of PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED (the "Association") set out on pages 6 to 14, which comprise the statement of financial position as at 31 July 2017, and the statement of comprehensive income and expenditure, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 July 2017, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### **Basis for opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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 Association 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.

#### **Information other than the financial statements and auditor's report thereon**

The committee members are responsible for the other information. The other information comprises the information included in the report of the committee members, but does not include the financial statements and our auditor's report thereon.

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

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

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### **TO THE MEMBERS OF PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED**

(Incorporated in Hong Kong with liability limited by guarantee)

#### **Responsibilities of committee members for the financial statements**

The committee members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA 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.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### **TO THE MEMBERS OF**

### **PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED**

(Incorporated in Hong Kong with liability limited by guarantee)

#### **Auditor's responsibilities for the audit of the financial statements (Continued)**

- Conclude on the appropriateness of the 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 Association'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 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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee members 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.

CHENG & CHENG LIMITED  
Certified Public Accountants

Hong Kong, <date of approval>

Y.Y. Li, Alice  
Practising Certificate number P03373

# PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 31 July 2017

	Note	2017 HK\$	2016 HK\$
<b>Current assets</b>			
Inventories	3	309,468	318,485
Prepayment		49,060	17,180
Sundry debtors		16,251	12,690
Cash at bank and on hand		2,693,705	2,241,434
		<u>3,068,484</u>	<u>2,589,789</u>
<b>Current liabilities</b>			
Accruals		417,930	155,791
Receipts in advance		82,400	57,070
		<u>500,330</u>	<u>212,861</u>
<b>Net current assets</b>		<u>2,568,154</u>	<u>2,376,928</u>
<b>Funds</b>			
Bus Fund		797,875	889,857
Centenary Fund		76,686	101,686
General Administration Fund		1,693,593	1,385,385
	4	<u>2,568,154</u>	<u>2,376,928</u>

Signed on behalf of the Executive Committee by:-

Ildiko Franciska FECSER  
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 2017*

	Note	2017 HK\$	2016 HK\$
<b>Income</b>			
Annual subscriptions		160,000	110,300
Bus service income		3,700,220	3,361,802
Donation income		76,040	195,753
Peak school uniform		416,815	398,578
Fund raising income	5	617,574	464,901
Sundry income		-	7,345
		<u>4,970,649</u>	<u>4,538,679</u>
<b>Expenditures</b>			
Bus hire		(3,577,022)	(3,077,772)
Coordinator and helpers' expenses		(215,180)	(205,180)
Cost of uniform sold		(365,936)	(361,604)
Fund raising expenses	5	(237,263)	(251,613)
School funding	6	(360,826)	(325,529)
Administrative expenses	7	(23,196)	(34,945)
		<u>(4,779,423)</u>	<u>(4,256,643)</u>
<b>Surplus for the year</b>		<u>191,226</u>	<u>282,036</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 FUNDS

*For the year ended 31 July 2017*

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	Bus Fund HK\$	Centenary Fund HK\$	General Administration Fund HK\$	Total HK\$
<b>Balance at 1 August 2015</b>	811,007	126,686	1,157,199	2,094,892
Total comprehensive income/(loss)	78,850	(25,000)	228,186	282,036
<b>Balance at 31 July 2016 and at 1 August 2016</b>	889,857	101,686	1,385,385	2,376,928
Total comprehensive income/(loss)	(91,982)	(25,000)	308,208	191,226
<b>Balance at 31 July 2017</b>	797,875	76,686	1,693,593	2,568,154

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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 2017*

	Note	2017 HK\$	2016 HK\$
<b>Operating activities</b>			
Surplus for the year		191,226	282,036
Decrease in inventories		9,017	81,662
Increase in prepayment		(31,880)	(980)
Increase in sundry debtors		(3,561)	(12,690)
Increase in accruals		262,139	33,607
Increase in receipts in advance		25,330	35,530
<b>Net cash from operating activities</b>		452,271	419,165
<b>Net cash from investing activities</b>		-	-
<b>Net cash from financing activities</b>		-	-
<b>Cash and cash equivalents at beginning of the year</b>		2,241,434	1,822,269
<b>Cash and cash equivalents at end of the year</b>	8	2,693,705	2,241,434

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 2017*

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### 1. CORPORATE INFORMATION

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED (the "Association") 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 2017*

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### 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 stationery. 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) REVENUE RECOGNITION

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

Revenue 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

Revenue 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 revenue 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.

Any other income not mentioned above is recognized whenever it is received or receivable.

# PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 July 2017

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### 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

	2017	2016
	HK\$	HK\$
Uniform and stationery	<u>309,468</u>	<u>318,485</u>

The cost of inventories recognised as expense amounted to HK\$365,936 (2016: HK\$361,604).

### 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 2017

### 5. FUND RAISING EVENTS

	2017			2016		
	Income HK\$	Expenditure HK\$	Surplus/ (deficit) HK\$	Income HK\$	Expenditure HK\$	Surplus/ (deficit) HK\$
<b>Fund raising events</b>						
Bingo	34,625	15,311	19,314	47,017	10,330	36,687
Centenary Fund	-	25,000	(25,000)	-	25,000	(25,000)
Talent Show	39,345	550	38,795	33,400	4,148	29,252
Dance-a-thon	30,531	6,808	23,723	43,844	11,621	32,223
Yearbook Sales	96,775	99,705	(2,930)	98,975	99,330	(355)
Lantern Festival	129,398	47,705	81,693	122,855	58,004	64,851
Movie Night	47,982	11,193	36,789	59,290	11,426	47,864
Treat Days	5,240	-	5,240	3,780	-	3,780
Class T-shirt Sales	26,750	13,890	12,860	34,350	15,627	18,723
Into the Woods	-	-	-	21,390	16,127	5,263
Art Auction	206,928	17,101	189,827	-	-	-
<b>Net surplus of fund raising events</b>	<b>617,574</b>	<b>237,263</b>	<b>380,311</b>	<b>464,901</b>	<b>251,613</b>	<b>213,288</b>

### 6. SCHOOL FUNDING

	2017 HK\$	2016 HK\$
Greening project	100,000	82,600
Carol service	-	698
Contribution to school's Mathletics, home readers, language resources and library books	50,000	80,000
Contribution to school's library and classroom enhancement	154,800	142,391
Mosquito Extractor	27,466	19,840
Discovery Dome	21,060	-
Solar panels	7,500	-
	<b>360,826</b>	<b>325,529</b>

# PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 July 2017

### 7. ADMINISTRATIVE EXPENSES

	2017	2016
	HK\$	HK\$
Auditors' remuneration	14,000	13,000
Impairment losses of inventories	-	17,040
Sundry expenses	9,196	4,905
	<u>23,196</u>	<u>34,945</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:

	2017	2016
	HK\$	HK\$
Cash at bank and on hand	<u>2,693,705</u>	<u>2,241,434</u>

### 9. APPROVAL OF FINANCIAL STATEMENTS

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