

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

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PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

REPORT OF THE COMMITTEE MEMBERS

The Executive Committee submit herewith their report together with the audited financial statements of PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED (the "Association") for the year ended 31 July 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Association are to improve educational outcomes by raising funds and facilitating relationships between the school teachers and the 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 2019 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	
Jennifer ANDREWS	Vice Chairperson	
Richard John WILMOT	Honorary Secretary	(Resigned on 20 August 2018)
Joanne Kristy KINGSBURY	Honorary Secretary	(Appointed on 8 October 2018 and resigned on 27 August 2019)
Clara Sin Yee LEUNG	Honorary Treasurer	(Appointed on 8 October 2018)
Christopher James HATTAM		(Resigned on 29 June 2019)
Joyce Chapman WILMOT		(Resigned on 1 April 2019)
Allyson PARRY		
Bridget PIGOTT		
Barbara ENGO-ARANHA		(Resigned on 29 June 2019)
Abbie KEY		(Resigned on 1 April 2019 and appointed on 19 August 2019)
William Christopher GARNETT		
Susan Elizabeth RICHARDS		(Resigned on 29 June 2019)
Loraine Ellen FAY		(Resigned on 10 June 2019)
David Hauser CAMERON		(Appointed on 8 October 2018)
Patrick Bernd Peter KAMINSKI		(Appointed on 1 April 2019)
Afsheen OMAR		(Appointed on 1 April 2019)
Bei LIU		(Appointed on 19 August 2019)
Christine Joan ETCHELLS-BAILEY		(Appointed on 19 August 2019)

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)

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

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 15, which comprise the statement of financial position as at 31 July 2019, 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 2019, 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 ("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 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>

Cheng Hong Kei
Practising Certificate number P01806

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED**STATEMENT OF FINANCIAL POSITION***As at 31 July 2019*

	Note	2019 HK\$	2018 HK\$
Current assets			
Inventories	3	402,022	353,240
Prepayment		57,816	28,456
Sundry debtors		1,382	7,500
Cash at bank and on hand		4,101,556	3,534,057
		<u>4,562,776</u>	<u>3,923,253</u>
Current liabilities			
Accruals		17,050	526,770
Receipts in advance		2,391,229	1,236,375
		<u>2,408,279</u>	<u>1,763,145</u>
Net current assets		<u>2,154,497</u>	<u>2,160,108</u>
Funds			
Bus Fund		318,040	686,776
General Administration Fund		1,836,457	1,473,332
	4	<u>2,154,497</u>	<u>2,160,108</u>

Signed on behalf of the Executive Committee by:-

Ildiko Franciska FECSER
Chairperson

Clara Sin Yee LEUNG
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 2019*

	Note	2019 HK\$	2018 HK\$
Income			
Annual subscriptions		179,400	159,000
Bus service income		4,172,900	3,793,964
Donation income		61,615	50,210
Peak school uniform		381,591	402,005
Fund raising income	5	453,293	410,922
Interest income		1,612	-
		<u>5,250,411</u>	<u>4,816,101</u>
Expenditures			
Hire of buses		(3,832,500)	(3,675,000)
Coordinator and helpers' expenses		(209,136)	(230,063)
Cost of uniform sold		(336,766)	(454,754)
Fund raising expenses	5	(171,282)	(327,921)
School funding	6	(671,843)	(512,287)
Administrative expenses	7	(34,495)	(24,122)
		<u>(5,256,022)</u>	<u>(5,224,147)</u>
Deficit for the year		<u>(5,611)</u>	<u>(408,046)</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 2019*

	Bus Fund HK\$	Centenary Fund HK\$	General Administration Fund HK\$	Total HK\$
Balance at 1 August 2017	797,875	76,686	1,693,593	2,568,154
Total comprehensive loss	(111,099)	(76,686)	(220,261)	(408,046)
Balance at 31 July 2018 and at 1 August 2018	686,776	-	1,473,332	2,160,108
Transfer	(500,000)	-	500,000	-
Total comprehensive income/(loss)	131,264	-	(136,875)	(5,611)
Balance at 31 July 2019	318,040	-	1,836,457	2,154,497

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 2019

	Note	2019 HK\$	2018 HK\$
Operating activities			
Deficit for the year		(5,611)	(408,046)
Adjustments for:			
Interest income		(1,612)	-
Operating loss before working capital changes		(7,223)	(408,046)
Increase in inventories		(48,782)	(43,772)
(Increase)/decrease in prepayment		(29,360)	20,604
Decrease in sundry debtors		6,118	8,751
(Decrease)/increase in accruals		(509,720)	108,840
Increase in receipts in advance		1,154,854	1,153,975
Cash generated from operations		565,887	840,352
Interest received		1,612	-
Net cash from operating activities		567,499	840,352
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Cash and cash equivalents at beginning of the year		3,534,057	2,693,705
Cash and cash equivalents at end of the year	8	4,101,556	3,534,057

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 2019

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 2019

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 2019*

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

	2019	2018
	HK\$	HK\$
Uniform and stationery	402,022	353,240

The cost of inventories recognised as expense amounted to HK\$336,766 (2018: HK\$454,754).

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 2019

5. FUND RAISING EVENTS

	2019			2018		
	Income HK\$	Expenditure HK\$	Surplus/ (deficit) HK\$	Income HK\$	Expenditure HK\$	Surplus/ (deficit) HK\$
Fund raising events						
Bingo	35,835	12,908	22,927	45,110	10,133	34,977
Centenary Fund	-	-	-	-	76,686	(76,686)
Dance-a-thon	37,178	12,903	24,275	45,190	15,640	29,550
Yearbook Sales	102,550	60,596	41,954	93,225	99,300	(6,075)
Lantern Festival	160,230	50,240	109,990	145,177	57,878	87,299
Movie Afternoon/Night	47,820	10,044	37,776	41,245	10,930	30,315
Treat Days	2,460	665	1,795	5,350	4,100	1,250
Class T-shirt Sales	25,000	11,065	13,935	22,100	10,600	11,500
Stage Production	-	-	-	13,525	7,654	5,871
Discovery Dome	2,420	-	2,420	-	35,000	(35,000)
PSHT	34,010	1,539	32,471	-	-	-
Sports Day	5,500	1,419	4,081	-	-	-
CIS Visit	-	3,397	(3,397)	-	-	-
War on Plastic	290	4,906	(4,616)	-	-	-
Nativity Concert	-	1,600	(1,600)	-	-	-
Net surplus of fund raising events	453,293	171,282	282,011	410,922	327,921	83,001

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 July 2019

6. SCHOOL FUNDING

	2019 HK\$	2018 HK\$
Greening project	119,136	150,000
Carol service	-	6,784
Contribution to school's Athletics, home readers, language resources and library books	-	306,000
Special fund for school support	220,000	-
Mosquito Extractor	-	22,704
Tables	-	26,699
Team Kit	10,175	-
Jurassic garage	20,476	-
Contribution to teaching materials and author visit	150,000	-
Staffing support	150,000	-
Environmental support	2,056	-
	<u>671,843</u>	<u>512,187</u>

7. ADMINISTRATIVE EXPENSES

	2019 HK\$	2018 HK\$
Auditors' remuneration	16,000	16,000
Sundry expenses	18,495	8,122
	<u>34,495</u>	<u>24,122</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:

	2019 HK\$	2018 HK\$
Cash at bank and on hand	<u>4,101,556</u>	<u>3,534,057</u>

9. COMPARATIVE FIGURES

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

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 July 2019

10. APPROVAL OF FINANCIAL STATEMENTS

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