

**KENNEDY SCHOOL  
PARENT TEACHER ASSOCIATION LIMITED**

**REPORT OF THE COMMITTEE  
AND FINANCIAL STATEMENTS**

**30 JUNE 2011**

CERTIFIED COPY



Marie Thereze Terri DONLON  
Director

Date: 23/02/2012



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## KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

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### Committee

#### Parents' representatives

DONLON Marie Thereze Terri	(Chairman)
LYONS Theresa Mauvorneen	(Honorary secretary)
KETCHUM Jane	(Honorary treasurer)
CIAFARDINI Simone Rita	
HAYES Amanda	
IRELAND Fiona Harriet	
JOHNSTON Karen	
LUCAS Rebecca	
O'BRIEN Mary Carmen	
SPITERI Elizabeth	

#### Principal

HAY Paul Bremner

#### Teachers' representatives

BARLETTA Reine E. Marulli de  
SHEWARD Deborah Anne  
SPRATT Michelle Loretta

### Company secretary

Condor Corporate Services Limited

### Auditor

Kathy Wong & Co.  
Certified Public Accountants  
Unit B, 8<sup>th</sup> Floor, Jonsim Place  
228 Queen's Road East  
Hong Kong

## **KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED REPORT OF THE COMMITTEE**

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The committee members present their report and the audited financial statements of the Association for the year ended 30 June 2011.

### **Principal place of business**

Kennedy School Parent Teacher Association Limited is incorporated with liability limited by guarantee, domiciled in Hong Kong and has its registered office and principal place of business at 19 Sha Wan Drive, Pokfulam, Hong Kong.

### **Principal activities**

The principal activities of the Association are to engage in fostering a better relationship between parents and teachers and the provision of general welfare for the Kennedy School.

There is no significant change in these activities during the year.

### **Reserves**

The accumulated funds of the Association amounted to HK\$2,552,919 as at 30 June 2011 (2010: HK\$2,139,178). Movements in the reserves of the Association during the year are set out in the statement of changes in equity on page 8 of the financial statements.

### **Distribution of surplus**

Under the Association's Articles of Association, no portion of the income and property of the Association shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Association.

### **Fixed assets**

During the year, the Association acquired fixed assets in the amount of HK\$7,965 (2010: HK\$13,744). These were written off in the statement of comprehensive income during the year in accordance with the Association's accounting policy.

### **Donations**

Donations made by the Association during the year amounted to HK\$200,861 (2010: HK\$333,081).

# KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

## REPORT OF THE COMMITTEE

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### Committee members

The committee members at the date of this report are as set out on page 1.

As defined in the Articles of Association, each committee member shall be deemed to be a director for the purpose of the Hong Kong Companies Ordinance.

### Changes in committee members

During the year and up to the date of this report, the following changes took place:

	<u>Appointed on</u>	<u>Resigned on</u>
CIAFARDINI Simone Rita	26 January 2011	
IRELAND Fiona Harriet	26 January 2011	
JOHNSTON Karen	26 January 2011	
SHEWARD Deborah Anne	26 January 2011	
SPRATT Michelle Loretta	26 January 2011	
TERLICH Tara Maree	26 January 2011	17 November 2011
FIELD Janet Elaine		15 October 2010
BOLTON Kylie Elizabeth		26 January 2011
McTEER Katie Wynne		26 January 2011
SHARPS Heather Louise		26 January 2011
TAIT David		26 January 2011
DONOHUE Theresa Anne		30 June 2011

### Rotation of committee members

In accordance with Article 35 of the Articles of Association, the committee members except the Principal, retire and being eligible, offer themselves for re-election.

### 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, subsisted at the end of the year or at any time during the year.

### Committee members' rights to acquire shares or debentures

At no time during the year was the Association a party to any arrangement to enable the committee members of the Association to acquire benefits by means of the acquisition of debentures of the Association or acquisition of shares in or debentures of any other body corporate.

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**REPORT OF THE COMMITTEE**

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**Other**

There are no other disclosures required under the Hong Kong Companies Ordinance.

**Auditor**

The financial statements for the year ended 30 June 2011 have been audited by Kathy Wong & Co. who retire and, being eligible, offer themselves for re-appointment.

By order of the Committee

  
Chairman  
Hong Kong, 30 November 2011

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KENNEDY SCHOOL PARENT-TEACHER ASSOCIATION LIMITED**  
(incorporated in Hong Kong with liability limited by guarantee)

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We have audited the financial statements of Kennedy School Parent Teacher Association Limited (the "Association") set out on pages 7 to 19 which comprise the balance sheet as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Committee's responsibility for the financial statements*

The committee is responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the committee determines 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, and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 judgement, 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, as well as evaluating the overall presentation of the financial statements.

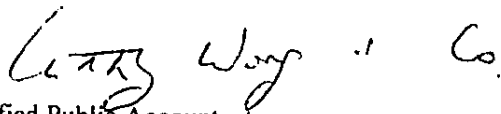
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
(incorporated in Hong Kong with liability limited by guarantee)

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*Opinion*

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 30 June 2011 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Certified Public Accountants  
Hong Kong, 30 November 2011

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED**  
**30 JUNE 2011**

	Note	2011 HK\$	2010 HK\$
Turnover	5	4,960,678	5,114,859
Cost of sales/services		(3,938,822)	(4,067,666)
Other income		30,038	24,556
Staff costs		(317,500)	(311,000)
Other operating costs		(119,792)	(103,587)
Finance costs		-	(12)
Donations	6	(200,861)	(333,081)
Surplus before taxation	7 & 8	413,741	324,069
Income tax	9	-	-
Surplus for the year		413,741	324,069
Other comprehensive income for the year		-	-
Total comprehensive income for the year		413,741	324,069



**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**BALANCE SHEET**  
**30 JUNE 2011**

	Note	2011 HK\$	2010 HK\$
<b>Current assets</b>			
Inventories	10	203,904	138,485
Accounts receivable		4,125	10,140
Prepayments		3,546	3,293
Cash and cash equivalents	11	4,299,203	3,655,761
		<u>4,510,778</u>	<u>3,807,679</u>
<b>Current liabilities</b>			
Accounts payable and accruals		16,586	18,311
Donation provisions		49,578	97,155
Receipts in advance	12	1,891,695	1,553,035
		<u>1,957,859</u>	<u>1,668,501</u>
<b>Net assets</b>		<u>2,552,919</u>	<u>2,139,178</u>
<b>Accumulated fund</b>			
General fund		<u>2,552,919</u>	<u>2,139,178</u>
<b>Total equity</b>		<u>2,552,919</u>	<u>2,139,178</u>

Approved by the Committee on 30 November 2011

  
Chairman

  
Committee member

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED**  
**30 JUNE 2011**

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	<u>Total equity</u> General fund HK\$
At 1.7.2009	1,815,109
Total comprehensive income for the year	324,069
At 30.6.2010 and at 1.7.2010	<u>2,139,178</u>
Total comprehensive income for the year	413,741
At 30.6.2011	<u>2,552,919</u>

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2011**

	2011 HK\$	2010 HK\$
<b>Operating activities</b>		
Surplus for the year	413,741	324,069
Adjustments for:		
Bank interest income	(71)	(62)
Bank interest paid	-	12
Fixed assets written off	7,965	13,744
Provision for doubtful debts	-	7,350
	421,635	345,113
Changes in working capital:		
(Increase)/Decrease in inventories	(65,419)	8,957
Decrease in accounts receivable	6,015	3,255
(Increase)/Decrease in prepayments	(253)	1,867
Increase in receipts in advance	338,660	66,280
Decrease in accounts payable and accruals	(1,725)	(24,466)
(Decrease)/Increase in donation provisions	(47,577)	34,915
<b>Net cash generated from operating activities</b>	<b>651,336</b>	<b>435,921</b>
<b>Investing activities</b>		
Payment for acquisition of property, plant and equipment	(7,965)	(13,744)
Interest received	71	62
<b>Net cash used in investing activities</b>	<b>(7,894)</b>	<b>(13,682)</b>
<b>Financing activities</b>		
Funds from related party (a)	-	735,600
Bank interest paid	-	(12)
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>735,588</b>
<b>Increase in cash and cash equivalents</b>	<b>643,442</b>	<b>1,157,827</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,655,761</b>	<b>2,497,934</b>
<b>Cash and cash equivalents at end of year</b>	<b>4,299,203</b>	<b>3,655,761</b>

(a) During 2010, the remaining funds in the bank account maintained and operated by the predecessor unincorporated related party, Kennedy School Parent Teacher Association, were all transferred to the Association.

**1. Statement of compliance with Hong Kong Financial Reporting Standards**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRS), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKAS) 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. A summary of the significant accounting policies adopted by the Association is set out in note 2.

The HKICPA has issued certain new and revised HKFRS that are first effective or available for early adoption for the current accounting period. Information on any changes in accounting policies resulting from initial application of these new and revised HKFRS to the extent that they are relevant to the Association for the current and prior accounting periods reflected in these financial statements is provided in note 3.

**2. Principal accounting policies**

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

Judgements made by the committee in the application of HKFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

**b) Fixed assets**

Costs of property, plant and equipment are written off in the year of acquisition.

**c) Inventories**

Inventories, consisting mainly of books, uniform and stationery, are stated at the lower of cost and net realisable value. Cost includes the invoiced cost of purchases and is calculated on the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2011**

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**2. Principal accounting policies (continued)**

**d) Receivables**

Receivable are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, if any, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts, if any.

**e) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

**f) Payables**

Payables including loans are initially measured at fair value and, after initial recognition, at amortised cost, except for payables with no stated interest rate or repayment terms and the effect of discounting being immaterial, in which case they are measured at their initial recognition amount.

**g) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimation can be made. When the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2011**

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**2. Principal accounting policies (continued)**

**h) Employee benefits**

Salaries, annual leave and other costs of non-monetary benefits are accrued and recognised as an expense in the period in which the associated services are rendered by the employees.

Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as incurred in profit or loss.

Termination benefits are recognised when the Association 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.

**i) Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue and costs, if applicable, can be measured reliably, on the following bases:

- i) Income from bus services and membership subscriptions are recognised on an accruals basis;
- ii) Sales from books, stationery and uniform are recognised when the significant risks and rewards of ownership have been transferred to the buyer;
- iii) Income from lottery ticket sales, fund raising and other activities, and commission income are recognised when received; and
- iv) Interest income is recognised on a time proportion basis using the effective interest rate method.

**j) Operating leases (as the lessee)**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in profit or loss on a straight-line basis over the period of the lease.

**k) Borrowing costs**

Borrowing costs are expensed in the period in which they are incurred.

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2011**

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**2. Principal accounting policies (continued)**

**l) Foreign currency translation**

Items presented in the financial statements 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, which is the Association's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**m) Related parties**

For the purposes of these financial statements, a party is considered to be related to the Association if:

- i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Association or exercise significant influence over the Association in making financial and operating policy decisions, or has joint control over the Association;
- ii) the Association and the party are subject to common control;
- iii) the party is a member of key management personnel of the Association, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals; or
- iv) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals.

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

**3. Changes in accounting policies**

In 2011, the Association has applied the new and revised HKFRS issued by the HKICPA that are first effective for the current accounting period. In the preparation of these financial statements, the Association has not early adopted any new HKFRS that are not yet effective for the current accounting period. The application of the new and revised HKFRS has no material effects on the Association's financial performance and position.

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2011**

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**4. Critical accounting estimates and judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation and uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of inventories

The Association's assessment of the net realizable value of inventories requires judgement as to the expected sale prices with reference where available, to anticipated sales volumes of the respective items and the related costs to be incurred in selling the inventories. The Association's estimates may not be accurate and might need to be adjusted in later periods.

**5. Turnover**

	2011 HK\$	2010 HK\$
Bus services fee income	3,596,765	3,699,774
School shop sales	632,347	627,035
Subscription fee income	260,400	263,900
Fund raising activities	304,521	370,345
Lottery ticket sales	146,520	132,780
Advertising income	20,125	21,025
	<u>4,960,678</u>	<u>5,114,859</u>

**6. Donations**

	2011 HK\$	2010 HK\$
Donations to Kennedy School		
Lottery proceeds	140,388	126,228
Other	60,473	206,853
	<u>200,861</u>	<u>333,081</u>



**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2011**

**7. Surplus before taxation**

Surplus before taxation has been arrived at after charging/crediting: -

	2011 HK\$	2010 HK\$
Charging:		
Auditor's remuneration	12,000	10,000
Bank interest paid	-	12
Committee members' emoluments	-	-
Office equipment written off	7,965	13,744
Provision for doubtful debts	-	7,350
Stocks obsolescence and write off	28,009	-
Crediting:		
Bank interest income	71	62
Commission income	832	-

**8. Income and expenditure of the lottery event**

Included in turnover and costs of sales/services are the following amounts for the lottery event under licence no.4139 (2010: Licence no.4061):

	2011 HK\$	2010 HK\$
Income	146,520	132,780
Expenditure		
- advertising	2,332	2,288
- auditor's remuneration	2,200	2,000
- printing	1,600	1,600
- awards	-	664
	6,132	6,552
Net surplus	140,388	126,228

**9. Income tax**

No provision for taxation is required as the Association is exempt from tax under Section 88 of the Inland Revenue Ordinance.

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2011**

**10. Inventories**

	2011 HK\$	2010 HK\$
Uniform	188,459	97,403
Books and supplies	15,445	41,082
	<u>203,904</u>	<u>138,485</u>

The cost of inventories recognised in profit or loss and included in cost of sales/services for the year amounted to HK\$419,229 (2010: HK\$407,330).

**11. Cash and cash equivalents**

Cash and cash equivalents are bank balances and cash denominated in Hong Kong dollars.

**12. Receipts in advance**

	2011 HK\$	2010 HK\$
Bus services fee	1,702,095	1,345,660
Membership subscription fee	181,300	187,250
Other	8,300	20,125
	<u>1,891,695</u>	<u>1,553,035</u>

**13. Related party transactions**

In addition to balances and transactions disclosed elsewhere in these financial statements, the Association had no other material related party transactions during the year.

**14. Capital management**

The Association's primary objectives when managing capital are to safeguard the Association's ability to continue as a going concern, so that it can continue to provide services to its members commensurate with its level of financial resources. The Association is not subject to externally imposed capital requirements.

The Association regards all components of equity as capital, for capital management purposes. As at 30 June 2011, the amount of total equity amounted to HK\$2,552,919 (2010: HK\$2,139,178). The Association's capital structure is regularly reviewed and managed by the committee. There was no change in the Association's approach to capital management compared with the previous year.

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2011**

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**15. Financial risk management**

The Association's activities do not expose it to significant financial risks (including foreign exchange risk, interest rate risk and credit risk). The Association's bank balances are deposited with reputable banks in Hong Kong and management considers the risk of default by the counterparty is minimal. The Association minimises liquidity risk by maintaining sufficient cash to meet current and expected liquidity so as to enable it to meet its liabilities as and when they fall due and to continue operating for the foreseeable future.

**a) Categories of financial assets and liabilities**

	2011 HK\$	2010 HK\$
<b><u>Financial assets</u></b>		
Loans and receivables (including cash and cash equivalents)		
- Accounts receivable	4,125	10,140
- Cash and cash equivalents	4,299,203	3,655,761
	<u>4,303,328</u>	<u>3,665,901</u>
<b><u>Financial liabilities</u></b>		
Finance liabilities measured at amortised cost		
- Accounts payable and accruals	16,586	18,311
- Donation provisions	49,578	97,155
	<u>66,164</u>	<u>115,466</u>

**b) Fair value estimation**

The carrying amounts of the Association's financial assets and liabilities approximated to their fair values at the balance sheet date.

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2011**

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**16. Hong Kong Financial Reporting Standards issued but not yet effective for the year**

Hong Kong Financial Reporting Standards (HKFRS) that have been issued but are not yet effective for the year include the following HKFRS which may be relevant to the Association's operations and financial statements:

	Effective for accounting periods beginning on or after
HKAS 24 (Revised) Related Party Disclosures	1 January 2011
HKFRS 9 Financial Instruments	1 January 2013
HKAS 19 (2011) Employee Benefits	1 January 2013
HKFRS 12 Disclosure of Interests in Other Entities	1 January 2013
HKF HKFRS 13 Fair value Measurement	1 January 2013

Initial assessment has indicated that the adoption of these HKFRS would not have a significant impact on the Association's financial statements in the year of initial application. The Association will be continuing with the assessment of the impact of these and other new HKFRS and significant changes may be identified as a result.

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2011**

For information of management only

	2011 HK\$	2010 HK\$
<b>Income</b>		
Bus services fee income	3,596,765	3,699,774
School shop sales	632,347	627,035
Subscription fee income	260,400	263,900
Fund raising activities	304,521	370,345
Lottery ticket sales	146,520	132,780
Advertising income	20,125	21,025
	<u>4,960,678</u>	<u>5,114,859</u>
<b>Less: Cost of sales/services</b>		
Opening inventories	138,485	147,442
Purchases	512,656	398,373
Stocks obsolescence and write off	(28,009)	-
Closing inventories	<u>(203,903)</u>	<u>(138,485)</u>
	419,229	407,330
Bus hire charges	3,423,569	3,507,762
Fund raising activities	89,892	146,022
Lottery event costs	6,132	6,552
	<u>3,938,822</u>	<u>4,067,666</u>
<b>Other income</b>		
Commission income	832	-
Interest income	71	62
Sundry income	29,135	24,494
	<u>30,038</u>	<u>24,556</u>
<b>Total income</b>	<u>1,051,894</u>	<u>1,071,749</u>
<b>Staff costs (Schedule 1)</b>	(317,500)	(311,000)
<b>Other operating costs (Schedule 2)</b>	(119,792)	(103,587)
<b>Finance costs</b>		
Interest paid to bank	-	(12)
<b>Donations to Kennedy School</b>	(200,861)	(333,081)
<b>Surplus before taxation</b>	<u>413,741</u>	<u>324,069</u>

**KENNEDY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**  
**SCHEDULES TO DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2011**

For information of management only

	2011 HK\$	2010 HK\$
<b>Schedule 1 – Staff costs</b>		
Salaries and allowances	305,500	299,000
MPF contribution	12,000	12,000
	<u>317,500</u>	<u>311,000</u>
<b>Schedule 2 – Other operating costs</b>		
Auditor's remuneration	12,000	10,000
Bank charges	1,006	1,006
Insurance	1,608	1,613
Legal and professional fees	1,667	4,000
Meals and entertainment	3,840	6,152
Office equipment written off	7,965	13,744
Office expenses and supplies	13,788	12,404
Postage and delivery	56	-
Printing and reproduction	34,900	40,000
Provision for doubtful debts	-	7,350
Repairs and maintenance	6,230	867
Stocks obsolescence and write off	28,009	-
Sundry expenses	6,712	4,440
Telephone	2,011	2,011
	<u>119,792</u>	<u>103,587</u>