

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011

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 2011.

PRINCIPAL ACTIVITIES

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.

FINANCIAL RESULTS

The results of the Association for the year ended 31 July 2011 and the state of its affairs at that date are set out in the financial statements on pages 6 to 15.

COMMITTEE MEMBERS

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

Needham, Katrina	
Weeks, Joanne	
Fabiani, Lara	
Green, Alexandra Jane	
Costley, Nina Anne Marie	
Emmett, Vanessa Iris	(appointed on 8 September 2010)
Jackson, Katherine Judith Holly	(appointed on 8 September 2010)
Hughes, Caron Margaret	(appointed on 8 September 2010)
Nieto, Mary Buchanan	(appointed on 24 January 2011)
Emslie, Sarah Alexandra	(resigned on 8 September 2010)
Howell, Anna Pauline Eamer-Gouet	(resigned on 8 September 2010)
Legg, Sarah	(resigned on 8 September 2010)
Salnikow, Paul Daniel	(resigned on 8 September 2010)
Groves, Kelda	(resigned on 24 January 2011)
Lie Ming	(appointed on 8 September 2010 and resigned on 24 January 2011)
Fryer, Paul	(appointed on 8 September 2010 and resigned on 24 January 2011)
Sisterson, Simone Patricia	(appointed on 8 September 2010 and resigned on 24 January 2011)

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
21 SEP 2011



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 15, which comprise the statement of financial position as at 31 July 2011, and the statement of comprehensive income and expenditure 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 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.



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.

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 2011 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 Hong Kong Companies Ordinance.



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)

Report on matters under sections 141(4) and 141(6) of the Hong Kong Companies Ordinance

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

- 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 : 21 SEP 2011

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2011

(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
INCOME			
Annual subscriptions		88,700	82,500
Bus fees		2,052,435	1,909,356
Donations		137,138	100,118
Fund raising income	9	1,097,527	1,037,815
Bank interest income		4	34
Sundries		-	4,613
		<u>3,375,804</u>	<u>3,134,436</u>
EXPENDITURES			
Bus hire		1,344,000	1,280,000
Bus coordinator and helpers' expenses		156,814	168,000
Fund raising expenses	10	512,066	556,847
School funding	11	1,119,715	1,651,031
Administrative expenses	12	52,415	72,266
		<u>3,185,010</u>	<u>3,728,144</u>
SURPLUS / (DEFICIT) FOR THE YEAR		190,794	(593,708)
Other comprehensive income	13	-	1,830,540
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8	<u>190,794</u>	<u>1,236,832</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 2011

(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
ASSETS			
CURRENT ASSETS			
Prepayment		89,000	6,500
Cash and bank balances	6	<u>1,610,869</u>	<u>1,246,955</u>
TOTAL CURRENT ASSETS		<u>1,699,869</u>	<u>1,253,455</u>
TOTAL ASSETS		<u>1,699,869</u>	<u>1,253,455</u>
LIABILITIES AND GENERAL FUND			
CURRENT LIABILITIES			
Other payables	7	-	18,000
Accruals		<u>296,620</u>	<u>23,000</u>
TOTAL CURRENT LIABILITIES		<u>296,620</u>	<u>41,000</u>
TOTAL LIABILITIES		<u>296,620</u>	<u>41,000</u>
GENERAL FUND			
General fund	8	<u>1,403,249</u>	<u>1,212,455</u>
TOTAL GENERAL FUND		<u>1,403,249</u>	<u>1,212,455</u>
TOTAL LIABILITIES AND GENERAL FUND		<u>1,699,869</u>	<u>1,253,455</u>

Approved and authorised for issue by
the Executive Committee on: 21 SEP 2011



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 2011
(Expressed in Hong Kong Dollars)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive income for the year	190,794	1,236,832
Adjustments for:		
Interest income	<u>(4)</u>	<u>(34)</u>
	190,790	1,236,798
Increase in prepayment	(82,500)	(6,500)
Decrease in other payables	(18,000)	(1,822,090)
Increase / (Decrease) in accruals	<u>273,620</u>	<u>(108,564)</u>
CASH GENERATED FROM / (USED FOR) OPERATIONS	363,910	(700,356)
Interest received	<u>4</u>	<u>34</u>
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	<u>363,914</u>	<u>(700,322)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	363,914	(700,322)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,246,955</u>	<u>1,947,277</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>1,610,869</u></u>	<u><u>1,246,955</u></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 2011
(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 Plunketts 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.

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 Hong Kong Companies Ordinance.

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.

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.

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011

(Expressed in Hong Kong Dollars)

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, fund raising income and donation received during the year.

5. COMMITTEE MEMBERS' REMUNERATION

Committee members' emoluments disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows :

	<u>2011</u>	<u>2010</u>
Committee members' emoluments :		
Fee	-	-
Other emoluments	-	-
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	-	-
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PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011

(Expressed in Hong Kong Dollars)

6. CASH AND BANK BALANCES

	<u>2011</u>	<u>2010</u>
Cash in hand	2,966	538
Cash at bank	<u>1,607,903</u>	<u>1,246,417</u>
	<u>1,610,869</u>	<u>1,246,955</u>

7. OTHER PAYABLES

	<u>2011</u>	<u>2010</u>
Receipt in advance	<u>-</u>	<u>18,000</u>
	<u>-</u>	<u>18,000</u>

8. GENERAL FUND

	<u>2011</u>	<u>2010</u>
Accumulated fund brought forward	1,212,455	(24,377)
Total comprehensive income for the year	<u>190,794</u>	<u>1,236,832</u>
Accumulated fund carried forward	<u>1,403,249</u>	<u>1,212,455</u>

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011
(Expressed in Hong Kong Dollars)

9. FUND RAISING INCOME

	<u>2011</u>	<u>2010</u>
Bingo	15,600	23,620
Talent Show	56,398	20,080
Dance-a-thon	21,890	45,128
Peak School Uniform	378,734	445,210
Yearbook and Photo Sales	95,540	86,720
Yearbook Sponsorship	-	30,000
Lantern Festival	102,369	81,964
Christmas Party	156,993	78,886
Family Picnic	-	139,190
Sponsored Walk and BBQ	116,875	87,017
Art Auction	153,128	-
	<u>1,097,527</u>	<u>1,037,815</u>

PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011
 (Expressed in Hong Kong Dollars)

10. FUND RAISING EXPENSES

	<u>2011</u>	<u>2010</u>
Bingo	2,704	2,974
Talent Show	4,543	3,916
Dance-a-thon	9,577	17,666
Peak School Uniform	291,838	353,607
Lantern Festival	33,261	45,645
Christmas Party	97,480	51,906
Family Picnic	-	47,315
Sponsored Walk and BBQ	28,476	33,818
Art Auction	44,187	-
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	512,066	556,847
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PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011
(Expressed in Hong Kong Dollars)

11. SCHOOL FUNDING

	<u>2011</u>	<u>2010</u>
Greening Project	74,800	81,540
Library Facilities	537,482	37,518
Lighting Project	42,390	916,518
Artist in residence	65,000	-
Playground Project	212,426	204,830
Year 6 Graduation	10,000	11,095
Sports Equipment	-	45,000
IT & AV Equipment Fund	-	2,800
Hall Redecoration Fund	-	49,750
BBQ Equipment	-	19,980
Library Refurbishment Fund	-	282,000
Teaching Resource	152,157	-
Edwardian Day	17,137	-
Carol Service and Christmas Party	8,323	-
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	1,119,715	1,651,031
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12. ADMINISTRATIVE EXPENSES

	<u>2011</u>	<u>2010</u>
Auditors' remuneration	9,000	9,000
Bank charges	450	644
Bank interests	-	373
Insurance	1,440	1,447
Postage and courier	-	158
Stationery	2,091	411
Sundry expenses	37,447	57,795
Telecommunication	1,387	1,888
Legal and professional fee	600	550
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	52,415	72,266
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PEAK SCHOOL PARENT TEACHERS ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011
(Expressed in Hong Kong Dollars)

13. OTHER COMPREHENSIVE INCOME

The amount was received by the Association from Peak School Parent Teachers Association. It has been classified as General fund and is used for funding administration expenses for the Association.

14. TAXATION

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

15. COMPARATIVE FIGURES

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