

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

REPORT OF THE COMMITTEE MEMBERS

The committee members submit herewith their report together with the audited financial statements of Glenealy School Parent Teacher Association Limited (the "Association") for the year ended 30 June 2010.

PRINCIPAL ACTIVITIES

The Association commenced operation on 17 July 2009 and its principal activities are the enhancing education experience of students at Glenealy School and the operating of PTA shop.

FINANCIAL STATEMENTS

The deficit of the Association for the year ended 30 June 2010 and the financial position of the Association as at that date are exhibited in the annexed audited financial statements.

FUND

Details of the movements in the fund of the Association during the year are set out in the statement of changes in fund of the Association 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.

DONATIONS

During the year, the Association made charitable donations in the amount of HK\$12,435 (2009: Nil).

COMMITTEE MEMBERS

The following committee members held office during the financial year and up to the date of this report:-

APPEL Terri	Chairman	
WEATHINGTON Staphanie	Vice Chairman	
DONOWHO Penny	Honorary Treasurer	
MATTOLI Scarlett Leigh	Honorary Secretary	(Appointed on 9 September 2009)
MEANEY Christine Ellen		
WOO Kam Fun		(Appointed on 9 September 2009)
GERJARUSAK Tiaranad		(Appointed on 9 September 2009)
BEST Dianne		(Appointed on 11 November 2009)
COOK Brenda Margaret		(Appointed on 13 January 2010)
KEHOE Rose Amelia		(Appointed on 8 February 2010)
MAHBUBANI Wendy Louise		(Appointed on 15 April 2010)
STEPHAN Michaela Helen		(Appointed on 25 June 2010)

The following committee members was appointed after the end of the financial year and held office up to the date of this report:-

BENZIE David John	(Appointed on 6 September 2010)
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GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

REPORT OF THE COMMITTEE MEMBERS (Continued)

COMMITTEE MEMBERS (Continued)

The following committee members held office during the financial year but was resigned as at the date of this report:-

PORTER Megan Louise	(Appointed on 9 September 2009 and resigned on 28 April 2010)
GILCHRIST Lynne	(Appointed on 9 September 2009 and resigned on 25 June 2010)
MULVAHILL Stephanie	(Appointed on 9 September 2009 and resigned on 8 September 2010)
SNOUFFER Elizabeth	(Appointed on 9 September 2009 and resigned on 30 October 2009)
WOOD Peter	(Appointed on 11 November 2009 and resigned on 13 January 2010)
GARNETT William	(Appointed on 11 November 2009 and resigned on 10 February 2010)
ABBOTT Dominic Bernard	(Appointed on 8 February 2010 and resigned on 25 June 2010)

In accordance with the article 35 of the Association's Articles of Association, every committee member shall retire from office at the forthcoming annual general meeting and be eligible for re-election, provided that no person shall reserve as an elected committee member consecutively for more than six terms.

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 Board of Committee

Chairman

Hong Kong, < date of approval >

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

(Incorporated in Hong Kong limited by guarantee)

We have audited the financial statements of Glenealy School Parent Teacher Association Limited set out on pages 5 to 15, which comprise the statement of financial position as at 30 June 2010, and the statements of comprehensive income, changes in fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Committee members' responsibilities for the financial statements

The committee members of the Association are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 as to 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 and true and fair presentation of the financial statements 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 GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

(Incorporated in Hong Kong limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 30 June 2010 and of its financial performance 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.

Cheng & Cheng Limited
Certified Public Accountants (Practising)

Hong Kong, < date of approval >

Cheng Hong Kei
Practising Certificate number P01806

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note	2010 HK\$	2009 HK\$
Current assets			
Inventories	4	121,930	-
Cash at bank and on hand		<u>261,423</u>	<u>-</u>
		<u>383,353</u>	<u>-</u>
Deduct: Current liabilities			
Accounts payable		3,610	-
Contribution payables		25,000	-
Other creditors and payables		<u>11,971</u>	<u>2,000</u>
		<u>40,581</u>	<u>2,000</u>
Net current assets/(liabilities)		<u><u>342,772</u></u>	<u><u>(2,000)</u></u>
General fund	5	<u><u>342,772</u></u>	<u><u>(2,000)</u></u>

Signed on behalf of the Board of Committee by:-

Chairman

Honorary Treasurer

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

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Note	01/07/2009- 30/06/2010 HK\$	30/06/2008- 30/06/2009 HK\$
Income	6	372,120	-
Cost of sales		<u>(134,093)</u>	<u>-</u>
Gross surplus		238,027	-
Expenditure		(123,106)	(2,000)
Contributions to school projects and facilities	7	(411,865)	-
Net surplus of fund raising events	8	<u>123,407</u>	<u>-</u>
Deficit before taxation	9	(173,537)	(2,000)
Taxation	11	<u>-</u>	<u>-</u>
Net deficit for the year/period		<u><u>(173,537)</u></u>	<u><u>(2,000)</u></u>

There was no other comprehensive income or loss during the year/period.

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

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

STATEMENT OF CHANGES IN FUND

For the year ended 30 June 2010

	Note	General fund HK\$
Net deficit for the period		<u>(2,000)</u>
Balance at 30 June 2009		<u><u>(2,000)</u></u>
Balance at 1 July 2009		(2,000)
Changes in fund:		
Transfer from Glenealy School Parent-Teachers Association	5	518,309
Net deficit for the year		<u>(173,537)</u>
Balance at 30 June 2010		<u><u>342,772</u></u>

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

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

For the year ended 30 June 2010

	Note	01/07/2009- 30/06/2010 HK\$	30/06/2008- 30/06/2009 HK\$
Operating activities			
Deficit before taxation		(173,537)	(2,000)
Increase in inventories		(121,930)	-
Increase in accounts payable		3,610	-
Increase in contribution payable		25,000	-
Increase in other creditors and payables		9,971	2,000
Net cash used in operating activities		(256,886)	-
Net cash from financing activities	12	518,309	-
Increase in cash and cash equivalents		261,423	-
Cash and cash equivalents at beginning of the year/period		-	-
Cash and cash equivalents at end of the year/period	13	261,423	-

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

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

1. CORPORATE INFORMATION

Glenealy School Parent Teacher Association Limited is a limited liability (by guarantee) association incorporated and domiciled in Hong Kong. The address of its registered office and principal place of operation is Glenealy School, 7 Hornsey Road, Mid-Levels, Hong Kong.

2. SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements of the Association are set out as follows:-

(a) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") 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 below.

The HKICPA has issued a number of new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Association. Information on adoption of new accounting standards to the extent that they are relevant to the Association for the current and prior accounting periods are reflected in note 3.

The Association has not adopted any new standard or interpretation that is not yet effective for the current accounting period (see note 16).

(b) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The measurement basis used in the preparation of the financial statements is the historical cost basis. The financial statements are presented in Hong Kong Dollars and all values are rounded to the nearest dollar except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs 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.

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2010

2. SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES (Continued)

(c) FINANCIAL INSTRUMENTS

Payables are initially recognised at fair value. Payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(d) INVENTORIES

Inventories represent assets held for sale in the ordinary course of operation of the Association are stated at the lower of cost and net realizable value.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to present location and condition is determined by using first in first out basis. Net realizable value is the estimated selling price in the ordinary course of operation less the estimated cost of completion and the estimated cost necessary to make the sale.

(e) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(f) EMPLOYEE BENEFITS

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(g) INCOME RECOGNITION

Income is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Association and the income and costs, if applicable, can be measured reliably, income is recognised in the statement of comprehensive income as follows:-

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.

Members' subscription, donation income and event income are recognised whenever they are received.

(h) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the accounts 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.

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2010

3. ADOPTION OF NEW ACCOUNTING STANDARDS

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Association. Amongst them, the following developments are relevant to the Association's financial statements:-

- * HKAS 1 (Revised 2007), Presentation of financial statements
- * Amendments to HKFRS 7, Financial instruments: Disclosures - improving disclosures about financial instruments
- * Improvements to HKFRSs (2008)

HKAS 1 had been early adopted in the previous financial period ended 30 June 2009.

There is no material impact on the Association's financial statements as the amendments and interpretations were consistent with policies already adopted by the Association.

4. INVENTORIES

	2010	2009
	HK\$	HK\$
Inventories in the statement of financial position		
Uniforms and stationery	<u>121,930</u>	<u>-</u>

5. FUND

Details of the movements in fund during the year are referred to in the "Statement of changes in fund". The nature and purpose of general fund are as follows:-

General fund

General fund is a general purpose fund of the Association to maintain normal operation and retain aggregate surplus.

On 31 July 2009, the Association took over the inventories amounting to HK\$94,966 and the remaining cash HK\$423,343 from its former body known as "Glenealy School Parent-Teachers Association" and transferred them to general fund.

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2010

6. INCOME

The Association is principally engaged in raising money to enhance the education experience of students at Glenealy School and operating of PTA shop. Income, other than that derived from special events, comprises the following category and recognised during the year:-

	01/07/2009- 30/06/2010 HK\$	30/06/2008- 30/06/2009 HK\$
Shop sales	243,700	-
Donation income	13,520	-
Members' annual subscriptions	114,900	-
	<u>372,120</u>	<u>-</u>

7. CONTRIBUTIONS TO SCHOOL PROJECTS AND FACILITIES

During the year, the Association contributed to Glenealy School's projects and facilities as follows:-

	01/07/2009- 30/06/2010 HK\$	30/06/2008- 30/06/2009 HK\$
Challenge club	5,335	-
Class trips	16,029	-
Digital cameras	11,760	-
Environmental group	900	-
Laminator	3,980	-
Musical instruments	22,941	-
Parent lending library	5,000	-
Playground equipment	10,993	-
Portable sound system	8,300	-
Resource room	150,000	-
Sports days	12,553	-
Sports teams buses	18,074	-
Wireless LAN	146,000	-
	<u>411,865</u>	<u>-</u>

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2010

8. FUND RAISING

	01/07/2009- 30/06/2010 HK\$	30/06/2008- 30/06/2009 HK\$
Income from fund raising events	178,801	-
Expenditure	55,394	-
Net surplus of fund raising events	<u>123,407</u>	<u>-</u>

9. DEFICIT BEFORE TAXATION

	01/07/2009- 30/06/2010 HK\$	30/06/2008- 30/06/2009 HK\$
Deficit before taxation is stated after charging:		
Auditor's remuneration	7,000	2,000
Cost of inventories sold	134,093	-
Employee benefits expenses	42,935	-
	<u>184,028</u>	<u>2,000</u>

10. COMMITTEE MEMBERS' REMUNERATION

None of the committee members received or will receive any fees or emoluments in respect of the year.

11. TAXATION

No provision for Hong Kong Profits Tax has been made as the Association is entitled to exemption of tax under Section 88 of the Inland Revenue Ordinance.

No provision for deferred taxation has been made as there should be no future tax consequences.

12. FINANCING ACTIVITIES

	01/07/2009- 30/06/2010 HK\$	30/06/2008- 30/06/2009 HK\$
General fund transferred from Glenealy School Parent-Teachers Association	<u>518,309</u>	<u>-</u>

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2010

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following item in the statement of financial position:-

	2010 HK\$	2009 HK\$
Cash at bank and on hand	<u>261,423</u>	<u>-</u>

14. FUND MANAGEMENT

The Association's objective when managing fund is to safeguard its ability to continue as a going concern. The Association manages fund by regularly monitoring its current and expected liquidity requirements.

The Association's operation is primarily sourced from the operation income, and other finances sourced from the following which except otherwise indicated are interest free and have no fixed repayment terms:-

	2010 HK\$	2009 HK\$
Current liabilities		
Contribution payable	25,000	-
Other creditors and payables	<u>11,971</u>	<u>2,000</u>

15. FINANCIAL RISK MANAGEMENT

Exposure to credit risk, liquidity risk, interest rate risk and currency risk arises in the normal course of the Association's operation. These risks are limited by the Association's financial management policies and practices described below.

Credit risk

The Association's principal financial assets are bank deposits which is rarely subject to credit risk.

Liquidity risk

The Association's policy is to regularly monitor its liquidity to ensure that it maintains sufficient fund to meet its liquidity requirements in the short and long terms.

Interest rate risk

The Association has no interest-bearing assets and liabilities.

Currency risk

The Association has no significant exposure to foreign currency risk as substantially all of the Association's transactions are denominated in its functional currency, Hong Kong Dollars.

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2010

16. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 30 JUNE 2010

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2010 and which have not been adopted in these financial statements.

	Effective for accounting periods beginning on or after
Improvements to HKFRSs 2009	1 July 2009 or 1 January 2010
Improvements to HKFRSs 2010	1 January 2011
HKFRS 9, Financial Instruments	1 January 2013

The Association is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Association's results of operations and financial position.

17. APPROVAL OF FINANCIAL STATEMENTS

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

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

DETAILED INCOME STATEMENT

For the year ended 30 June 2010

	01/07/2009- 30/06/2010		30/06/2008- 30/06/2009	
	HK\$	HK\$	HK\$	HK\$
Shop sales		243,700		-
Deduct: Cost of sales				
Purchases	256,023		-	
Inventories at end of the year/period	<u>(121,930)</u>		-	
		<u>134,093</u>		<u>-</u>
Gross surplus on PTA shop sales		109,607		-
Donation income		13,520		-
Members' annual subscriptions		<u>114,900</u>		<u>-</u>
		238,027		-
Deduct: Expenditure				
Auditor's remuneration	7,000		2,000	
Donations	12,435		-	
Insurance	6,000		-	
Postage, printing and stationery	8,626		-	
Preliminary expenses	1,630		-	
PTA gifts	5,704		-	
PTA hospitality	6,548		-	
PTA projects	3,417		-	
Salaries and allowances	42,935		-	
Small equipments for PTA shop	13,260		-	
Small equipments	<u>15,551</u>		-	
		<u>123,106</u>		<u>2,000</u>
		114,921		(2,000)
Add: Special items				
Contributions to school projects and facilities	(411,865)		-	
Net surplus of fund raising events	<u>123,407</u>		-	
		<u>(288,458)</u>		<u>-</u>
Net deficit for the year/period before taxation		<u><u>(173,537)</u></u>		<u><u>(2,000)</u></u>

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

FUND RAISING EVENTS

For the year ended 30 June 2010

	01/07/2009-30/06/2010			30/06/2008-30/06/2009		
	Income HK\$	Expenditure HK\$	Surplus/ (deficit) HK\$	Income HK\$	Expenditure HK\$	Surplus/ (deficit) HK\$
Fund raising events						
Bingo/quiz nights	34,812	10,019	24,793	-	-	-
Food and drinks sales	16,375	5,820	10,555	-	-	-
Markets and fairs	127,614	39,555	88,059	-	-	-
Net surplus of fund raising events	178,801	55,394	123,407	-	-	-