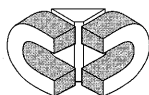


GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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CHENG & CHENG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS 鄭鄭會計師事務所有限公司

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

REPORT OF THE COMMITTEE MEMBERS

The committee members have pleasure in submitting their report together with the audited financial statements of Glenealy School Parent Teacher Association Limited (the "Association") for the year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Association are enhancing the educational experience of students at Glenealy School and operating the PTA uniform shop.

FINANCIAL STATEMENTS

The profit of the Association for the year ended 30 June 2011 and the state of the Association's affairs as at that date are exhibited in the annexed audited financial statements.

FUND

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

COMMITTEE MEMBERS

The following committee members held office during the financial year:-

APPEL Terri	Chairman
WEATHINGTON Stephanie	Vice Chairman
DONOWHO Penny	Honorary Treasurer
MATTOLI Scarlett Leigh	Honorary Secretary
MEANEY Christine	
GERJARUSAK Tiaranad	
BEST Dianne	
COOK Brenda Margaret	
KEHOE Rose Amelia	
MAHBUBANI Wendy Louise	
STEPHAN Michaela Helen	
BENZIE David John	(Appointed on 6 September 2010)
NANDHA Jaymini	(Appointed on 24 November 2010)
EI-GAMMAL SHARP Sara' Essam	(Appointed on 24 November 2010 and resigned on 30 March 2011)
WOO Kam Fun	(Resigned on 24 November 2010)
MISTRY Purvi	(Appointed on 8 June 2011)
HEADLEY Natasha	(Appointed on 8 June 2011)

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.

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

REPORT OF THE COMMITTEE MEMBERS (Continued)

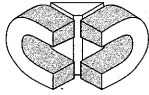
AUDITOR

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, 22 August 2011



CHENG & CHENG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS 鄭鄭會計師事務所有限公司

Cheng Hong Kei – FCCA, FTIHK, FCPA (Practising)	鄭康祺 – 香港執業資深會計師	Consultants:	顧問:
Cheng Hong Cheung – BBA, FCCA, FTIHK, CPA (Practising)	鄭康祥 – 香港執業會計師	Simon Cai – China CPA	蔡陽 – 中國註冊會計師
Li Yuen Yu Alice – B. Bus., ATIHK, CPA (Aust.), CPA (Practising)	李遠瑜 – 香港執業會計師	Gao Hui Guang – Senior Accountant	高惠廣 – 中國高級會計師
Tong Yat Hung – FCCA, CPA (Practising)	湯日烘 – 香港執業會計師		
Li Wing Sum Steven – FCCA, FCPA, FTIHK, CPA (Practising)	李永森 – 香港執業會計師		

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 2011, 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 information.

Committee members' responsibilities for the financial statements

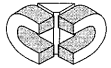
The committee members are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the committee 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 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 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.



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 2011 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, 22 August 2011

Cheng Hong Kei
Practising Certificate number P01806

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Note	2011 HK\$	2010 HK\$
Current assets			
Inventories	4	123,951	121,930
Cash at bank and on hand		<u>416,677</u>	<u>261,423</u>
		<u>540,628</u>	<u>383,353</u>
Deduct: Current liabilities			
Accounts payable		-	3,610
Contribution payables		85,539	25,000
Other creditors and payables		<u>9,500</u>	<u>11,971</u>
		<u>95,039</u>	<u>40,581</u>
Net current assets		<u>445,589</u>	<u>342,772</u>
General fund	5	<u>445,589</u>	<u>342,772</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 2011

	Note	2011 HK\$	2010 HK\$
Members' annual subscriptions	6	115,800	114,900
Donation income	6	<u>30,593</u>	<u>13,520</u>
Total income		<u>146,393</u>	<u>128,420</u>
Shop sales	6	290,270	243,700
Cost of shop sales		<u>(154,512)</u>	<u>(134,093)</u>
Gross surplus on shop sales		<u>135,758</u>	<u>109,607</u>
Total income and gross surplus on shop sales		282,151	238,027
Expenditure		(80,359)	(123,106)
Contributions to school projects and facilities	7	(244,452)	(411,865)
Net surplus of fund raising events	8	<u>145,477</u>	<u>123,407</u>
Surplus/(deficit) before taxation	9	102,817	(173,537)
Taxation	11	<u>-</u>	<u>-</u>
Net surplus/(deficit) for the year		<u><u>102,817</u></u>	<u><u>(173,537)</u></u>

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

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 2011

	General fund HK\$
Balance at 1 July 2009	(2,000)
Changes in fund:	
Transfer from Glenealy School Parent-Teachers Association	518,309
Net deficit for the year	<u>(173,537)</u>
Balance at 30 June 2010	<u>342,772</u>
Balance at 1 July 2010	342,772
Changes in fund:	
Net surplus for the year	<u>102,817</u>
Balance at 30 June 2011	<u>445,589</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 2011

	Note	2011 HK\$	2010 HK\$
Operating activities			
Surplus/(deficit) before taxation		102,817	(173,537)
Increase in inventories		(2,021)	(121,930)
(Decrease)/increase in accounts payable		(3,610)	3,610
Increase in contribution payable		60,539	25,000
Increase in other creditors and payables		(2,471)	9,971
Net cash from/(used in) operating activities		155,254	(256,886)
Net cash from financing activities	12	-	518,309
Increase in cash and cash equivalents		155,254	261,423
Cash and cash equivalents at beginning of the year		261,423	-
Cash and cash equivalents at end of the year	13	416,677	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 2011

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 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 Company is set out below.

The HKICPA has issued certain 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.

(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 2011

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 2011

3. ADOPTION OF NEW ACCOUNTING STANDARDS

The HKICPA has issued certain new HKFRSs, Amendments to HKFRSs and Interpretations that are first effective for the current accounting period of the Association or have immediate effect. Amongst them, no developments are relevant to the Association's financial statements.

The Association has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. INVENTORIES

	2011 HK\$	2010 HK\$
Inventories in the statement of financial position		
Uniforms and stationery	<u>123,951</u>	<u>121,930</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

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

6. GROSS INCOME

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

	2011 HK\$	2010 HK\$
Shop sales	290,270	243,700
Donation income	30,593	13,520
Members' annual subscriptions	<u>115,800</u>	<u>114,900</u>
	<u>436,663</u>	<u>372,120</u>

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2011

7. CONTRIBUTIONS TO SCHOOL PROJECTS AND FACILITIES

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

	2011 HK\$	2010 HK\$
Artist in residence	25,000	-
Books to support reading	66,906	-
Books for library	27,232	-
Challenge club	-	5,335
Class trips	-	16,029
Digital cameras	-	11,760
Environmental group	-	900
Laminator	-	3,980
Language database	5,000	-
Mathletics	30,500	-
Maths resources	14,500	-
Musical instruments	-	2,941
Parent lending library	-	5,000
Playground equipment	25,000	10,993
Portable sound system	-	8,300
Resource room	-	150,000
Sports days	11,620	12,553
Sports teams buses	19,424	18,074
Wireless LAN	-	146,000
Class band	19,270	20,000
	<u>244,452</u>	<u>411,865</u>

8. FUND RAISING

	2011 HK\$	2010 HK\$
Income from fund raising events	213,807	178,801
Expenditure	<u>(68,330)</u>	<u>(55,394)</u>
Net surplus of fund raising events	<u>145,477</u>	<u>123,407</u>

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2011

9. SURPLUS/(DEFICIT) BEFORE TAXATION

	2011 HK\$	2010 HK\$
Surplus/(deficit) before taxation is stated after charging:		
Auditor's remuneration	7,000	7,000
Cost of inventories sold	154,512	134,093
Employee benefits expenses	30,128	42,935

10. COMMITTEE MEMBERS' REMUNERATION

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

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

	2011 HK\$	2010 HK\$
General fund transferred from Glenealy School Parent-Teachers Association	-	518,309

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:-

	2011 HK\$	2010 HK\$
Cash at bank and on hand	416,677	261,423

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2011

14. FUND MANAGEMENT

The Association's objective when managing its funds is to safeguard its ability to continue as a going concern. The Association manages its funds 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:-

	2011	2010
	HK\$	HK\$
Current liabilities		
Contribution payable	85,539	25,000
Other creditors and payables	9,500	11,971
	<u>9,500</u>	<u>11,971</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 committee has built an appropriate liquidity risk management framework to meet the Association's short, medium and long term funding and liquidity management requirements. The Association manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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 2011

16. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 30 JUNE 2011

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 2011 and which have not been adopted in these financial statements.

	Effective for accounting periods beginning on or after
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 22 August 2011.

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED**DETAILED INCOME STATEMENT***For the year ended 30 June 2011*

	HK\$	2011 HK\$	HK\$	2010 HK\$
Members' annual subscriptions	115,800		114,900	
Donation income	<u>30,593</u>		<u>13,520</u>	
Total income		146,393		128,420
Shop sales	<u>290,270</u>		<u>243,700</u>	
Deduct: Cost of shop sales				
Inventories at beginning of the year	121,930		-	
Purchases	156,533		256,023	
Inventories at end of the year	<u>(123,951)</u>		<u>(121,930)</u>	
	<u>154,512</u>		<u>134,093</u>	
Gross surplus on PTA shop sales		<u>135,758</u>		<u>109,607</u>
Total income plus gross surplus on PTA shop sales		282,151		238,027
Deduct: Expenditure				
Auditor's remuneration	7,000		7,000	
Bank charges	913		-	
Company secretarial fee	2,500		-	
Donations	-		12,435	
Insurance	6,000		6,000	
Postage, printing and stationery	5,016		8,626	
Preliminary expenses	-		1,630	
PTA gifts	5,541		5,704	
PTA hospitality	11,889		6,548	
PTA projects	-		3,417	
Salaries and allowances	30,128		42,935	
Small equipments for and expenses of PTA shop	8,894		13,260	
Small equipments	1,138		15,551	
Sundries	<u>1,340</u>		<u>-</u>	
		<u>80,359</u>		<u>123,106</u>
		201,792		114,921
Add: Special items				
Contributions to school projects and facilities	(244,452)		(411,865)	
Net surplus of fund raising events	<u>145,477</u>		<u>123,407</u>	
		<u>(98,975)</u>		<u>(288,458)</u>
Net surplus/(deficit) for the year before taxation		<u>102,817</u>		<u>(173,537)</u>

GLENEALY SCHOOL PARENT TEACHER ASSOCIATION LIMITED

FUND RAISING EVENTS

For the year ended 30 June 2011

	2011			2010		
	Income HK\$	Expenditure HK\$	Surplus HK\$	Income HK\$	Expenditure HK\$	Surplus HK\$
Fund raising events						
Bingo and discos	39,357	10,874	28,483	34,812	10,019	24,793
Food and drinks sales	12,737	3,393	9,344	16,375	5,820	10,555
Markets and fairs	147,093	49,395	97,698	127,614	39,555	88,059
Others	14,620	4,668	9,952	-	-	-
Net surplus of fund raising events	213,807	68,330	145,477	178,801	55,394	123,407