

ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION

AUDITORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST, 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION

Opinion

We have audited the financial statements of St. Paul's Convent School Parent-Teacher Association ("the Association") set out on pages 3 to 8, which comprise the statement of financial position as at 31st August, 2018, and the income and expenditure account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31st August, 2018 and of its surplus and cash flows for the year then ended in compliance with Hong Kong Financial Reporting Standards for Private Entities and Societies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA's") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountant ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Executive Committee Members' responsibility for the financial statements

The Executive Committee members are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and Societies Ordinance, and for such internal control as the Executive Committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.


Those charged with governance are responsible for overseeing the Association's financial reporting process.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at HKICPA's website at: "<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>". This description forms part of our auditor's report.



Certified Public Accountants
HONG KONG, 28 SEP 2018

ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST, 2018

(Expressed in Hong Kong Dollars)

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| | \$ | \$ |
| Government grants received | 5,372.00 | 10,267.00 |
| Membership fee received | 41,400.00 | 32,000.00 |
| | <u>46,772.00</u> | <u>42,267.00</u> |
| ADD: <u>OTHER INCOME</u> | | |
| Bank interest income | 10.32 | 14.62 |
| Fund from parents for "Elderly Home Visit" | 12,250.00 | 10,160.00 |
| Sundry income | 6,856.00 | - |
| PTA 10th Anniversary Dinner | - | 51,800.00 |
| | <u>19,116.32</u> | <u>61,974.62</u> |
| LESS: <u>OPERATING EXPENSES</u> | | |
| Activity expenses | 4,000.00 | - |
| Audit fee | 3,500.00 | 3,500.00 |
| Bank charges | 750.00 | 750.00 |
| Event expenses for "Elderly Home Visit" | 24,143.20 | 11,780.99 |
| Flower basket | 600.00 | - |
| Gardening expenses | 6,545.70 | 3,839.06 |
| Insurance | 1,500.00 | 1,500.00 |
| Printing, stationery and postage | 157.00 | 660.80 |
| PTA 10th Anniversary Dinner | - | 91,494.95 |
| Speaker fee for seminar | 5,165.00 | 5,000.00 |
| Sundry expenses | 851.00 | - |
| Transportation expenses | - | 3,300.00 |
| Website expenses | 444.00 | 386.00 |
| | <u>47,655.90</u> | <u>122,211.80</u> |
| SURPLUS/(DEFICIT) FOR THE YEAR | 18,232.42 | (17,970.18) |
| ACCUMULATED SURPLUS BROUGHT FORWARD | <u>136,613.47</u> | <u>154,583.65</u> |
| ACCUMULATED SURPLUS CARRIED FORWARD | <u>154,845.89</u> | <u>136,613.47</u> |

THE NOTES ON PAGE 7 AND 8 FORM PART OF THESE FINANCIAL STATEMENTS

ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION
INCOME AND EXPENDITURE ACCOUNT - STUDY TOURS & EVENTS
FOR THE YEAR ENDED 31ST AUGUST, 2018

(Expressed in Hong Kong Dollars)

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------|---------------------|---------------------|
| | \$ | \$ |
| Tour fee from participants | 6,884,100.00 | 6,718,000.00 |
| | <u>6,884,100.00</u> | <u>6,718,000.00</u> |
| ADD: <u>OTHER INCOME</u> | | |
| Interest income | 5.34 | 1.52 |
| Sundry income | 7,325.90 | 82,592.00 |
| | <u>7,331.24</u> | <u>82,593.52</u> |
| LESS: <u>OPERATING EXPENSES</u> | | |
| Audit fee | 3,500.00 | 3,500.00 |
| Bank charges | 5,342.70 | 2,831.49 |
| Exchange loss | 337.08 | 5,677.33 |
| Insurance for tour | 70,540.35 | 56,047.40 |
| Program cost for Study tours | 4,238,554.96 | 4,530,809.42 |
| Sundry expenses | 32,402.41 | 32,143.46 |
| Travelling cost for Study tours | 2,360,149.00 | 2,072,476.00 |
| Uniform | 20,790.00 | 38,192.00 |
| | <u>6,731,616.50</u> | <u>6,741,677.10</u> |
| Balance amount transfer to School | <u>159,814.74</u> | <u>58,916.42</u> |

THE NOTES ON PAGE 7 AND 8 FORM PART OF THESE FINANCIAL STATEMENTS

ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 31ST AUGUST, 2018

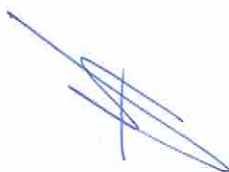
(Expressed in Hong Kong Dollars)

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|-----------------------|
| | \$ | \$ |
| <u>CURRENT ASSETS</u> | | |
| Prepayment | 17,600.00 | 427,252.00 |
| Cash at bank under general operation | 158,345.89 | 140,113.47 |
| Cash at bank under study tours and event account | 700,517.90 | 2,685,600.19 |
| Cash in hand under study tours and event account | 193.12 | 6,716.09 |
| | <u>876,656.91</u> | <u>3,259,681.75</u> |
| <u>CURRENT (LIABILITIES)</u> | | |
| Accounts payable | - | (922,042.00) |
| Payable to school | (714,211.02) | (554,396.28) |
| Received in advance | - | (1,633,800.00) |
| Accrued expenses | (7,600.00) | (12,830.00) |
| | <u>(721,811.02)</u> | <u>(3,123,068.28)</u> |
| NET ASSETS | <u>154,845.89</u> | <u>136,613.47</u> |
| <u>REPRESENTED BY:</u> | | |
| ACCUMULATED SURPLUS | <u>154,845.89</u> | <u>136,613.47</u> |
| MEMBERS' FUND | <u>154,845.89</u> | <u>136,613.47</u> |

Approved by the Executive Committee of
St. Paul's Convent School Parent-Teacher Association on **28 SEP 2018**



Chairman of Parent-Teacher
Association - St. Paul's Convent School



Treasurer

THE NOTES ON PAGE 7 AND 8 FORM PART OF THESE FINANCIAL STATEMENTS

ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST, 2018
(Expressed in Hong Kong Dollars)

| | <u>2018</u> | <u>2017</u> |
|--|----------------|--------------|
| | \$ | \$ |
| Operating activities | | |
| Surplus/(Deficit) for the year | 18,232.42 | (17,970.18) |
| Adjustment for | | |
| Bank interest income | (15.66) | (16.14) |
| Operating (deficit)/surplus before working capital changes | 18,216.76 | (17,986.32) |
| Changes in working capital | | |
| Decrease in receivable | - | 10,500.00 |
| Decrease/(increase) in prepayment | 409,652.00 | (427,252.00) |
| (Decrease)/increase in accounts payable | (922,042.00) | 699,405.46 |
| (Decrease)/increase in received in advance | (1,633,800.00) | 1,633,800.00 |
| Increase in payable to school | 159,814.74 | 58,916.42 |
| (Decrease)/increase in accrued expenses | (5,230.00) | 4,230.00 |
| Net cash (used to)/generated from operating activities | (1,973,388.50) | 1,961,613.56 |
| Investing activities | | |
| Bank interest income | 15.66 | 16.14 |
| Net cash generated from investing activities | 15.66 | 16.14 |
| Net (decrease)/increase in cash and cash equivalents | (1,973,372.84) | 1,961,629.70 |
| Cash and cash equivalents at the beginning of the year | 2,832,429.75 | 870,800.05 |
| Cash and cash equivalents at the end of the year (Note A) | 859,056.91 | 2,832,429.75 |

A. 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 reporting amount:

| | <u>2018</u> | <u>2017</u> |
|--------------------------|-------------|--------------|
| | \$ | \$ |
| Cash at bank and in hand | 859,056.91 | 2,832,429.75 |

THE NOTES ON PAGE 7 AND 8 FORM PART OF THESE FINANCIAL STATEMENTS

ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST, 2018

(Expressed in Hong Kong Dollars)

1. GENERAL INFORMATION

The St. Paul's Convent School Parent-Teacher Association ("the Association") is being operated and complied with conditions as stated in the Parent-Teacher Association's Constitution dated 4th October, 2007 ("the Constitution") between Members and the Association. These financial statements did not include the transactions of tour income and expenditure incurred prior to 31st August, 2013.

2. PRINCIPAL ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention.

Revenue recognition

Revenue from Government Grants is recognized when the appropriated instructions are received from Government authority.

Membership fee is recognized on a straight line method over the period of subscription.

Program income is recognized when the services are rendered to the clients.

Interest income is recognized as it accrues using the effective interest method.

Expenses

Expenses are recognized on an accrual basis, they are recognized when a present obligation has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the association operates (the functional currency). These financial statements are presented in Hong Kong Dollars, which is the Association's functional and presentation currency.

(b) Transactions and balances

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 recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other income" or "other expenses".

ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST, 2018

(Expressed in Hong Kong Dollars)

3. RELATED PARTIES TRANSACTIONS

During the year, the Association has the following significant transactions with related party:

| <u>Nature of transactions</u> | <u>Related parties relationship</u> | <u>Amount \$</u> |
|--|--|------------------|
| Net income from Study Tours & Event | Some teachers of the School are also members of the Executive Committee | 159,814.74 |

According to the letter from Education Bureau to St. Paul's Convent School ("the School") dated on 21st October 2013, the Association was delegated to make arrangement for the trading operation in the School and any net income arising from such trading operations should be credited into the School accounts and applied for any purpose directly benefiting the students of the School.