

**THE ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION
CALENDAR ACTIVITIES**

PRIVATE AND CONFIDENTIAL

30 September 2010

Patrick Tse & Company
Unit 204, 2/F., Malaysia Building,
50 Gloucester Road,
Wanchai, Hong Kong

Dear Sir/Madam,

**Re: The St. Paul's Convent School Parent-Teacher Association
- Calendar Activities
Income and expenditure account for the year ended 30 September 2010**

This representation letter is provided in connection with your audit of the income and expenditure account of Calendar Activities (the "Event"), an event held by The St. Paul's Convent School Parent-Teacher Association, for the year ended 30 September 2010 (the "Account") for the purpose of expressing an opinion as to whether the Account gives a true and fair view of the income and expenditure records of the Event and reflects all transactions recorded locally by the Event in accordance with the requirements set by the members of Organizing Committee of "Calendar Activities" Event and the requirements contained in the notes to the Account.

We acknowledge our responsibility for the fair presentation of the Account in accordance with the requirements set by the members of Organizing Committee of "Calendar Activities" Event and the requirements contained in the notes to the Account.

We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error. We have disclosed to you all significant facts relating to any frauds or suspected frauds known to the management that may have affected the entity. We have disclosed to you the results of our assessment of the risk that the Account may be materially misstated as a result of fraud.

We confirm, to the best of our knowledge and belief, the following representations:

- 1) There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the Account.
- 2) The Account is free of material misstatements, including omissions.
- 3) The Executive Committee members of The St. Paul's Convent School Parent-Teacher Association has complied with all aspects of contractual agreements that could have a material effect on the Account in the event of noncompliance. There has been no noncompliance with requirements of regulatory authorities or government representatives that could have a material effect on the Account in the event of noncompliance.
- 4) We have made available to you all books of account and supporting documentation.
- 5) No provision for Hong Kong profits tax has been made as The St. Paul's Convent School Parent-Teacher Association is exempted for tax under Section 88 of the Hong Kong Inland Revenue Ordinance.
- 6) We confirmed there are no related parties transactions that should be disclosed in the notes to the Account.
- 7) We are not aware of and have not been informed of any violations or possible violations of laws or regulations in any jurisdiction whose effect should be considered for disclosure in the Account or as a basis for recording a loss contingency.
- 8) There have been no events subsequent to period ended 30 September 2010 which require adjustment of or disclosure in the note to the Account.

For and on behalf of

Executive Committee members of The St. Paul's Convent School Parent-Teacher Association



Mrs. Lina Cheng
Chairlady



PRIVATE AND CONFIDENTIAL

30 September 2009

The St. Paul's Convent School Parent-Teacher Association

140 Leighton Road,
Causeway Bay,
Hong Kong

Dear Sir/Madam,

**Re: The St. Paul's Convent School Parent-Teacher Association
- Calendar Activities (the "Event")
Income and Expenditure Account for the year ended 30 September 2010**

The purpose of this letter is to set out the basis on which we act as auditors of the event – Calendar Activities (the "Event"), an activity held by The St. Paul's Convent School Parent-Teacher Association (the "Association"), for the year end 30 September 2010 and the respective areas of responsibility of the members of Executive Committee of the Association and of ourselves.

1. Responsibilities of the Executive Committee members of the Association and auditors

- 1.1 As Executive Committee members of the Association, you are responsible for ensuring that proper books of account have been maintained and for preparing the income and expenditure account (the "Account") of the Event which give a true and fair view and have been prepared in accordance with the requirements set by the members of Organizing Committee of "Calendar Activities" Event and the requirements contained in the notes to the Account. You are also responsible for making available to us, as and when required, all the Event's books of account and all other relevant records and related information, including minutes of all Executive Committee members of the Association and members of Organizing Committee of "Calendar Activities" in relation to the Event.
- 1.2 We as auditors of the Event, are responsible to report to the Executive Committee members of the Association whether in our opinion the Account give a true and fair view and whether it has been properly prepared in accordance with the requirements set by the members of Organizing Committee of "Calendar Activities" to the Event and the requirements contained in the notes to the Account. In arriving at our opinion, we are required to consider the following matters, and to report on any in respect of which we are not satisfied:
 - a. whether proper books of account have been kept for the Event;
 - b. whether the Account is in agreement with the books of account of the Event; and
 - c. whether we have obtained all the information and explanations which we consider necessary for the purposes of our audit.



The St. Paul's Convent School Parent-Teacher Association
30 September 2009

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1. **Responsibilities of the Executive Committee members of the Association and auditors**
(continued)

- 1.3 We have a professional responsibility to report if the Account does not comply in any material respect with the requirements set by the members of Organizing Committee of "Calendar Activities" Event and the requirements contained in the notes to the Account, unless in our opinion the noncompliance is justified in the circumstances. In determining whether or not the departure is justified, we consider:
- a. whether the departure is required in order for the Account to give a true and fair view; and
 - b. whether adequate disclosure has been made concerning the departure.

2. **Scope of audit**

- 2.1 Our audit will be conducted in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, and will include such tests of transactions as we consider necessary. We shall obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the Account and to establish whether proper books of account have been maintained for the Event. We shall expect to obtain such appropriate evidence as we consider sufficient to enable us to draw reasonable conclusions there from.
- 2.2 The nature and extent of our procedures will vary according to our assessment of the Event's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the Event's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the Event's systems but, if such weaknesses come to our notice during the course of our audit which we think should be brought to your attention, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than for the Event in mind and that we accept no duty or responsibility to any other party as concerns the reports.
- 2.3 As part of our normal audit procedures, we may request you to provide written confirmation of certain oral representations which we have received from you during the course of the audit on matters having a material effect on the Account.
- 2.4 In order to assist us with the examination of the Account, we shall request sight of all documents or statements, including the operating and financial review reports and statements relating to the Event. We are also entitled to attend all general meetings relating to the audit of the Event and to receive notice of all such meetings.



The St. Paul's Convent School Parent-Teacher Association

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2. Scope of audit (continued)

- 2.5 The responsibility for the prevention and detection of fraud, error and non-compliance with law or regulations or the guidelines set by the members of Organizing Committee of "Calendar Activities" Event rests with yourselves. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements in the Account or books of account (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.
- 2.6 Once we have issued our report we have no further direct responsibility in relation to the Account for that period. However, we expect that you will inform us of any material event occurring between the date of our report and that of the meeting relating to the audit which may affect the Account.

3. Distribution and future use of our audit opinion

- 3.1 If you intend to publish or reproduce, in printed form or electronically (e.g. on an Internet Web Site), our report together with the Account or otherwise make reference to us in a document that contains other information, management agrees to (a) provide us with a draft of such document to read, and (b) obtain our approval for inclusion of our report, before the document is finalised and distributed. Where our audit report is reproduced in any medium, the complete Account including notes, must also be presented.
- 3.2 Our audit opinion is intended for the benefit of those to whom it is addressed. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.
- 3.3 If you wish to include our report on this Account in any public document, you agree that our audit report, or reference to us, will not be included in any such document without our prior written permission or consent. Any agreement to perform work in connection with any such public document, including an agreement to provide such permission or consent, will be a separate engagement and subject to a separate engagement contract.

4. Ownership of and access to audit files

- 4.1 The working papers and files for this engagement created by us during the course of the audit, including electronic documents and files, are the sole property of Patrick Tse & Company Certified Public Accountants.



The St. Paul's Convent School Parent-Teacher Association

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30 September 2009

5. Internet communications

- 5.1 During the engagement we may from time to time communicate with you electronically. However, as you are aware, the electronic transmission of information cannot be guaranteed to be secured or error free and such information could be intercepted, corrupted, lost, destroyed, arrived late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly while we will use reasonable procedures to check for the then most commonly known viruses before sending information electronically, we shall not have any liability to you arising from or in connection with the electronic communication of information to you.

6. Other contracts

- 6.1 We request that you make available to us copies of all contracts containing provisions that may require the participation of the auditors' involvement should a dispute arise. You should note that we will not be bound by the provisions of any contract to which we were not a party.

7. Agreement of terms

- 7.1 We shall be grateful if you could confirm in writing your agreement to these terms by signing and returning the enclosed copy of this letter, or let us know if they are not in accordance with your understanding of our terms of engagement.

Yours faithfully,

Patrick Tse & Company
Certified Public Accountants (Practising)

We agree to the terms of this letter.

For and on behalf of
The St. Paul's Convent School Parent-Teacher Association

Name: Mrs. Lina Cheng
Position: Chairlady
Date: 30 September 2009

Independent Assurance Report

St. Paul's Convent School Parent-Teacher Association
Report on Income and Expenditure Account
for the year ended 30 September 2010

Report on Income and expenditure Account
For the year ended 30 September 2010

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INDEPENDENT AUDITORS' REPORT

**TO THE EXECUTIVE COMMITTEE OF
THE ST PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION
("The Parent-Teacher Association")**

We have audited the account of The St Paul's Convent School Parent-Teacher Association (the "The Parent-Teacher Association") - Calendar Activities (the "Event"), an activity held by of The Parent-Teacher Association, set out on page 3 and 4, which comprise Balance Sheet as at 30 September 2010 and the income and expenditure account of the Event for the year ended 30 September 2010 (the "Account").

The Event is not a separate legal entity and is not required to prepare statutory financial statements. The income and expenditure account of the Event has been prepared solely for the purpose of reporting to the Executive members of the Parent-Teacher Association. The Account has been prepared from the records of the Event and reflects all transactions recorded locally by the Event, in all material respects, in accordance with the requirements set by the members of Executive Committee of the Parent-Teacher Association.

Respective responsibilities of the Finance Council members and ourselves

The Executive Members of the Parent-Teacher Association are responsible for the preparation and the true and fair presentation of the Account in accordance with the requirements contained in the notes to the Account set out on page 5. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the Account 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 the Account based on our audit and to report our opinion solely to you, as a body, 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 as to whether the Account is free from material misstatement.



柏狄會計師事務所
Patrick Tse & Company
Certified Public Accountants

香港灣仔魯士打道50號
馬來西亞大廈2樓204室
Unit 204, 2/F., Malaysia Building
50 Gloucester Road, Hong Kong
Tel: (852) 2111 5022 Fax: (852) 2111 5023
E-mail: kytcpa@lawsonhk.com

**INDEPENDENT AUDITORS' REPORT
TO THE EXECUTIVE COMMITTEE OF
THE ST PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION
("The Parent-Teacher Association")**

Auditors' responsibility - continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Account. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Account, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Army's preparation and true and fair presentation of the Account 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 Finance Council members, as well as evaluating the overall presentation of the Account.

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

Opinion

In our opinion, the Account has been prepared, in all material respects, in accordance with the requirements set by the members of Executive Committee of Parent-Teacher Association for the year ended 30 September 2010.

Patrick Tse & Company
Certified Public Accountants
Hong Kong

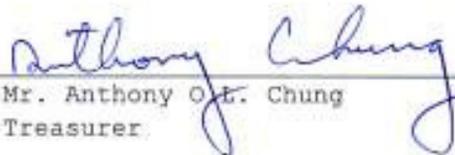
St. Paul's Convent School Parent-Teacher Association
Balance Sheet as at 30 September 2010

	2010 HK\$	2009 HK\$
CURRENT ASSETS		
Cash at bank		
Bank of East Asia HK\$ current account	25,537.27	5,286.97
Bank of East Asia HK\$ saving account	<u>40,006.40</u>	<u>40,002.40</u>
	65,543.67	<u>45,289.37</u>
Net assets	<u>65,543.67</u>	<u>45,289.37</u>
REPRESENTED BY MEMBERS' FUND		
Accumulative surplus	<u>65,543.67</u>	<u>45,289.37</u>

The financial statement on page 3 to 5 were approved and authorised for issue by the approval of Executive Committee of St. Paul's Convent School Parent-Teacher Association on



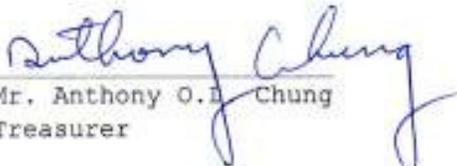
Mrs. Lina Cheng
Chairlady of Parent-Teacher Association
St. Paul's Convent School



Mr. Anthony O.K. Chung
Treasurer

ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION
Income and Expenditure Account
For the year ended 30 September, 2010

	2010 HK\$	2009 HK\$
INCOME		
Government grants	4,125.00	8,300.00
Membership fees	39,946.00	35,750.00
Other Income		
Seminar income	-	3,200.00
Programme Income	52,950.00	-
Bank interest	4.00	2.64
TOTAL INCOME	<u>97,025.00</u>	<u>47,252.64</u>
EXPENDITURE		
Annual general meeting expenses	2,080.00	-
Programme expenses	51,700.00	-
Donation	-	5,980.00
Dinner party	-	340.00
Gift and flowers	590.00	1,350.00
Honoraria (Guest speakers)	5,000.00	2,000.00
Insurance	1,500.00	1,500.00
Knitting program	-	10,280.00
Photo frame & certificates	373.00	-
Printing and stationery	756.50	545.90
Refreshments	295.20	1,899.00
Seminar fee	-	470.00
Seminar speaker fee	6,000.00	3,880.00
Sponsorship of School Board Concert	3,000.00	-
Subsidy of Pagars on The Paulinian 2010	3,500.00	-
Souvenirs	-	65.00
Travelling	5.00	-
Wei Po Fong-Green Campaign	1,709.00	-
Website expense	262.00	262.00
TOTAL EXPENDITURE	<u>76,770.70</u>	<u>28,571.90</u>
SURPLUS FOR THE YEAR	20,254.30	18,680.74
ACCUMULATED SURPLUS BROUGHT FORWARD	<u>45,289.37</u>	<u>26,608.63</u>
ACCUMULATED SURPLUS CARRIED FORWARD	<u>65,543.67</u>	<u>45,289.37</u>


Mr. Anthony O.I. Chung
Treasurer

ST. PAUL'S CONVENT SCHOOL PARENT-TEACHER ASSOCIATION
Income and Expenditure Account
For year ended 30 September 2010

1. BASIS OF PREPARATION

The income and expenditure account has been prepared in accordance with the accruals basis of accounting.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Grants from the Government of Hong Kong Special Administrative Region are recorded as income upon receipt.

Program income is recognised when the services render to the members.

Expenses

Expenses are recognized on an accrual basis, it is 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.

Tax

No provision for Hong Kong profit tax has been made as The St. Paul's Convent School Parent-Teacher Association is exempted for tax under Section 88 of the Hong Kong Inland Revenue Ordinance.