

SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED  
(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Reports and Financial Statements  
for the year ended June 30, 2019

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## **Report of the Management Committee**

The management committee have pleasure in submitting their report together with the audited financial statements of the Company for the year ended June 30, 2019.

### Principal activities

The Association is a non-profit seeking organisation and the principal activities of the Association during the year were:

- (i) to promote co-operation and facilitate discussion between the parents of the students and the teachers;
- (ii) to promote support, contribute to or otherwise assist any educational and recreational activities and operate school bus service for students; and
- (iii) to operate an uniform shop in a room of Sha Tin Junior School to sell school uniforms for students.

### State of affairs

The results of the Association for the year ended June 30, 2019 and its state of affairs at that date are set out in the financial statements on pages 6 to 13.

### Property, plant and equipment

Details of movements in the Company's property, plant and equipment during the year are set out in Note 6 to the financial statements.

### Reserves

The movements in reserves during the year are set out in the statement of changes in reserves.

### Management Committee Members

The management committee members who held office during the year and up to the date of this date were:

HARIS James	Chairman	(retired on August 14, 2019)
SO Patrick	Chairman	(retired on September 7, 2018)
KAM Wai Shan Wendy	Honorary Treasurer	(elected on September 7, 2018)
WONG Wai Lily	Honorary Treasurer	(re-elected on November 19, 2018)
YEUNG Arthur	Honorary Secretary	(retired on October 18, 2019)
TUNESI Perry	Principal	(reited on August 14, 2019)
SHANKS Rehana	Principal	(elected on August 14, 2019)
CUMES Leslie Lloyd Albert	Teacher Staff Member	(retired on August 14, 2019)
HILL Diane	Teacher Staff Member	(retired on August 14, 2019)
TURNER Bryan	Teacher Staff Member	
CAMPBELL Paul	Teacher Staff Member	(elected on August 14, 2019)

## **Report of the Management Committee (Cont'd)**

### Management Committee Members (Cont'd)

LIAM Murphy	Teacher Staff Member	(elected on August 14, 2019)
CARROL Francis	Parent Member	(elected on September 7, 2019)
CHAN Hin Leung Norman	Parent Member	(retired on September 7, 2018)
CHAU Wing Keung	Parent Member	(retired on August 14, 2019)
FUNG Michelle	Parent Member	(elected on September 7, 2018)
GALLAGHER Nashua	Parent Member	
MA Hebe	Parent Member	(elected on September 7, 2018)
MIYAOKA David	Parent Member	(retired on September 7, 2018)
MOCK Chi Man	Parent Member	(retired on September 7, 2018)
TSANG Kim	Parent Member	(elected on September 7, 2018)
WONG May	Parent Member	(elected on September 7, 2018)
YIP Krystal	Parent Member	(elected on September 7, 2018)

In accordance with clause 35 of the Association's articles of association, all management committee members other than principal shall retire at the close of business of forthcoming annual general meeting and, being eligible, offer themselves for re-election. However, no person shall serve as an elected committee member consecutively for more than six terms.

### Auditors

During the year, ZHONGHUI ANDA CPA LIMITED resigned as auditors of the Company and Messrs. Flexkin & Co. were appointed by the management committee to fill the casual vacancy so arising. A resolution for the reappointment of Messrs. Flexkin & Co. as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the management committee

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Chairman

Hong Kong  
Report date

## Independent Auditor's Report

To the Members of  
SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED  
(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

### Report on the Financial Statements

#### *Opinion*

We have audited the financial statements of SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED (“the Association”) set out on pages 6 to 13, which comprise the statement of financial position as at June 30, 2019, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are prepared, in all material respects, in accordance with Hong Kong Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### *Basis for Opinion*

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) and with reference to Practice Note 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* 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 Company in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (“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.

#### *Other Information*

The management committee members are responsible for the other information. The other information comprises the information included in the management committee member's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report (cont'd)

To the Members of  
SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED  
(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

### *Responsibilities of Management Committee Members for the Financial Statements*

The management committee members are responsible for the preparation of these financial statements in accordance with SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the management committee 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 management 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 management committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### *Auditor's 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. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents for this report. 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.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.

## Independent Auditor's Report (cont'd)

To the Members of  
SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED  
(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

### *Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee members.
- Conclude on the appropriateness of the management committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with the management committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Flexkin & Co.  
Certified Public Accountants (Practising)  
Chong Kin Ho  
Practising number: P04993

Report date

*SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED*  
*for the year ended June 30, 2019*  
*Income Statement*

**Income Statement**

	<i>Note</i>	<b>2019</b>	2018
		<b>HK\$</b>	HK\$
Income	3	<b>5,676,212</b>	5,641,852
Expenditure		<u><b>(5,475,967)</b></u>	<u>(5,286,826)</u>
Surplus before tax	4	<b>200,245</b>	355,026
Income tax expense	5	<u>-</u>	<u>-</u>
Surplus for the year		<u><b>200,245</b></u>	<u>355,026</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

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*SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED*  
*as at June 30, 2019*  
*Statement of Financial Position*

**Statement of Financial Position**

	<i>Note</i>	<b>2019</b>	2018
		<b>HK\$</b>	HK\$
<b>Non-Current Assets</b>			
Property, plant and equipment	6	<u>247,646</u>	<u>328,555</u>
		<u>247,646</u>	<u>328,555</u>
<b>Current Assets</b>			
Inventories	7	634,374	822,240
Deposit, prepayment and other receivables		59,309	37,745
Due from a related company	8	174,510	112,454
Cash and cash equivalents		<u>2,451,247</u>	<u>2,134,314</u>
		<u>3,319,440</u>	<u>3,106,753</u>
<b>Current Liabilities</b>			
Accrued charges		101,119	180,458
Due to a related company	9	<u>10,872</u>	-
		<u>111,991</u>	<u>180,458</u>
<b>Net Current Assets</b>		<u>3,207,449</u>	<u>2,926,295</u>
<b>Net Assets</b>		<u>3,455,095</u>	<u>3,254,850</u>
<b>Reserve</b>			
Surplus funds		<u>3,455,095</u>	<u>3,254,850</u>
		<u>3,455,095</u>	<u>3,254,850</u>

Approved and authorised for issue by the Board of the Management Committee Members on Report date.

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HARIS James

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KAM Wai Shan Wendy

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

*SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED*  
*for the year ended June 30, 2019*  
*Statement of Changes in Reserves*

**Statement of Changes in Reserves**

	General Fund HK\$	Total HK\$
At July 1, 2017	2,899,824	2,899,824
Surplus for the year	<u>355,026</u>	<u>355,026</u>
At June 30, 2018	3,254,850	3,254,850
Surplus for the year	<u>200,245</u>	<u>200,245</u>
<b>At June 30, 2019</b>	<b><u>3,455,095</u></b>	<b><u>3,455,095</u></b>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

## **Accounting Policies and Explanatory Notes to the Financial Statements**

### **1. General Information**

The Association was incorporated as a company limited by guarantee under the Hong Kong Companies Ordinance and not having a share capital. The liability of its members is limited to HK\$1 per member in the event of the Association being wound up while he or she is a member, or within one year after he or she ceases to be a member.

The Association is a non-profit seeking organisation and the principal activities of the Association during the year were:

- (i) to promote co-operation and facilitate discussion between the parents of the students and the teachers;
- (ii) to promote support, contribute to or otherwise assist any educational and recreational activities and operate school bus service for students; and
- (iii) to operate a uniform shop in a room of Sha Tin Junior School to sell school uniforms for students.

Its registered office and principal place of business is at 3A Lai Wo Lane, Fo Tan, Shatin, New Territories, Hong Kong.

### **2. Basis of Preparation and Accounting Policies**

#### Basis of preparation

The Company qualifies for the reporting exemption under section 359 of the Hong Kong Companies Ordinance (Cap.622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

The principal accounting policies adopted are set out below.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Association and the amount of revenue can be measured reliably.

Income from donations and grants received are recognised on a cash basis.

Interest income is recognised on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

## **2. Basis of Preparation and Accounting Policies (Cont'd)**

### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Computer equipment	33%
Furniture and fixtures	20%
Decoration	20%

The gain or loss on disposal or retirement of an item of property, plant and equipment recognised in the income statement is the difference between the net disposal proceeds and the carrying amount of the relevant asset.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase, costs of conversion and other costs incurred in bring the inventories to its present location and condition, is calculated using the first-in, first-out method. Net realisable value is based on estimated selling prices less further costs expected to be incurred to completion and disposal.

### Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of other receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

### Related parties

Parties are considered to be related to the Association if the Association has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Association and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Association where those parties are individuals.

*SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED*  
*for the year ended June 30, 2019*  
*Detailed Income and Expenditure Account*

**3. Revenue**

An analysis of the Association's revenue is as follows:

	<b>2019</b>	2018
	<b>HK\$</b>	HK\$
Bus service income	<b>4,256,097</b>	3,846,817
Bank interest income	<b>204</b>	4
Income from PTA events	<b>298,128</b>	444,194
Subscription fee income	<b>251,650</b>	253,400
Sundry income	<b>117,809</b>	342,595
School uniform sales	<b>752,324</b>	754,842
	<u><b>5,676,212</b></u>	<u>5,641,852</u>

**4. Surplus before Tax**

The Association's surplus before tax is arrived at after charging:

	<b>2019</b>	2018
	<b>HK\$</b>	HK\$
Auditors' remuneration	<b>7,800</b>	12,000
Depreciation	<b>80,909</b>	73,691
Management committee members' emoluments		
- As management committee members	-	-
- For management	-	-
Other staff costs	<b>485,979</b>	416,742
	<u><b>485,979</b></u>	<u>416,742</u>

**5. Income Tax Expenses**

No Hong Kong Profits Tax has been provided in the financial statements since income of the Association is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance (2018: Nil).

*SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED*  
*for the year ended June 30, 2019*  
*Detailed Income and Expenditure Account*

**6. Property, Plant and Equipment**

	Computer Equipment HK\$	Decoration HK\$	Furniture and fixtures HK\$	Total HK\$
Cost:				
At July 1, 2018	3,450	398,796	2,967	405,213
Additions	-	-	-	-
<b>At June 30, 2019</b>	<b>3,450</b>	<b>398,796</b>	<b>2,967</b>	<b>405,213</b>
Accumulated depreciation				
At July 1, 2018	1,150	72,541	2,967	76,658
Provided for the year	1,150	79,759	-	80,909
<b>At June 30, 2019</b>	<b>2,300</b>	<b>152,300</b>	<b>-</b>	<b>157,567</b>
Net carrying amount:				
<b>At June 30, 2019</b>	<b>1,150</b>	<b>246,496</b>	<b>-</b>	<b>247,646</b>
At June 30, 2018	2,300	326,225	-	328,555

**7. Inventories**

	2019 HK\$	2018 HK\$
Uniforms	<b>634,374</b>	822,240

**8. Due from a related company**

	2019 HK\$	2018 HK\$
Due from a related company	<b>174,510</b>	112,454

Particulars of the amounts due from a related company disclosed are as follows:

Name	June 30, 2019 HK\$	Maximum amount outstanding during the year HK\$	July 1, 2018 HK\$
Shatin Junior School	<b>174,510</b>	174,510	112,454

The amounts due from a related company are unsecured, interest-free and have no fixed terms of repayment.

**9. Due to a related company**

The amounts due to a related company are unsecured, interest-free and have no fixed terms of repayment.

**10. Approval of the Financial Statements**

The financial statements were approved and authorised for issue by the Board of management committee members on Report date.

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*SHA TIN JUNIOR SCHOOL PARENT TEACHER ASSOCIATION LIMITED*  
*for the year ended June 30, 2019*  
*Detailed Income and Expenditure Account*

**Detailed Income and Expenditure Account**

**(For Management Purpose Only)**

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>INCOME</b>		
Bus service income	4,256,097	3,846,817
Bank interest income	204	4
Income from PTA events	298,128	444,194
Subscription fee income	251,650	253,400
Sundry income	117,809	342,595
School uniform sales	752,324	754,842
	<u>5,676,212</u>	<u>5,641,852</u>
 <b>Less: EXPENDITURE</b>		
Accountancy fee	22,000	28,000
Auditors' remuneration	7,800	12,000
Bank charges	5,152	5,848
Bus service charge	3,759,000	3,312,150
Computer accessories	-	2,850
Depreciation	80,909	73,691
Delivery charge	-	8,100
Donation	76,094	294,195
Insurance	3,816	7,210
School uniform shop expenses	659,085	632,201
Secretarial and professional fee	1,950	-
Local travelling	690	370
MPF Contribution	28,520	28,375
Printing and stationery	21,264	12,675
PTA event expenses	315,493	448,486
Postage and courier	2,874	
Salaries and allowance	457,459	388,367
Sundry expenses	28,614	28,343
Telecommunication charges	5,247	3,965
	<u>5,475,967</u>	<u>5,286,826</u>
 Surplus before taxation	 <u>200,245</u>	 <u>355,026</u>