

REPORT AND AUDITED FINANCIAL STATEMENTS

GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION

FOR THE YEAR ENDED 31 AUGUST 2019

GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION

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INDEPENDENT HONORARY AUDITOR'S REPORT

To the members of
GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION
(Registered in Hong Kong as a society under Societies Ordinance)

We have audited the financial statements of Good Hope School Parent-Teacher Association (“the Association”) set out on pages 3 to 9, which comprise the statement of financial position as at 31 August 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in reserve funds and the 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 of the Association are prepared, in all material respects, in accordance with the Hong Kong Financial Reporting Standard for Private Entities (“HKFRS for Private Entities”) issued by the Hong Kong Institute of Certified Public Accountants.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants. 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 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.

Information Other than the Financial Statements and Auditor’s Report Thereon

The members of the Executive Committee are responsible for the other information. The other information comprises the information included in the Executive Committee’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.

Responsibilities of Executive Committee Members and Those Charged with Governance for the Financial Statements

The Executive Committee Members are responsible for the preparation of the financial statements in accordance with the HKFRS for Private Entities, 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 has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. The report is made solely to you, as a body, in accordance with the Association's constitution, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 HKSA's 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 HKSA's, 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 risks 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee Members.
- Conclude on the appropriateness of the Executive 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 those charged with governance 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.

CC Alliance CPA & Co.
Certified Public Accountants,
23 October 2019

GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 HK\$	2018 HK\$
INCOME			
Annual subscription, net of refund		150,960	153,840
Bank interest income		900	8
Project / Programme income	4	205,781	197,455
Subvention income from the Government		22,474	22,372
Sundry income		4,080	-
		<u>384,195</u>	<u>373,675</u>
EXPENDITURE			
Advertising expenses		(2,500)	(3,512)
Bank charges		(264)	(440)
Food and beverage for S1 orientation		-	(4,530)
Newsletter		(13,340)	(6,800)
Printing and stationery		(361)	(4,000)
Project / Programme expenses	4	(299,610)	(237,784)
Scholarship expenses		(20,000)	(40,000)
Sundry expenses		-	(850)
		<u>(336,075)</u>	<u>(297,916)</u>
SURPLUS BEFORE TAX			
		48,120	75,759
Tax	7	-	-
SURPLUS FOR THE YEAR			
		<u>48,120</u>	<u>75,759</u>

The Association had no components of comprehensive income other than “surplus for the year” in either of the years presented. Accordingly, no separate statement of comprehensive income is presented as the Association’s “total comprehensive income” was the same as the “surplus for the year” in both years.

GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2019

	Notes	2019 HK\$	2018 HK\$
Current assets			
Cash and cash equivalents	8	<u>919,573</u>	<u>875,763</u>
		<u>919,573</u>	<u>875,763</u>
Less: Current liabilities			
Accruals		<u>(29,720)</u>	<u>(34,030)</u>
		<u>(29,720)</u>	<u>(34,030)</u>
NET ASSETS		<u>889,853</u>	<u>841,733</u>
Represented by:			
Reserve funds		<u>889,853</u>	<u>841,733</u>

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Kwan Kar Wing
Chairperson

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Shireen Lee
Treasurer

GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION
STATEMENT OF CHANGES IN RESERVE FUNDS
FOR THE YEAR ENDED 31 AUGUST 2019

	Reserve funds HK\$
Balance at 1 September 2017	765,974
Total comprehensive income for the year	<u>75,759</u>
Balance at 31 August 2018 and 1 September 2018	841,733
Total comprehensive income for the year	<u>48,120</u>
Balance at 31 August 2019	<u><u>889,853</u></u>

GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	2019	2018
	HK\$	HK\$
Cash flows from operating activities		
Surplus for the year	48,120	75,759
Adjustments for:		
- Bank interest income	(900)	(8)
Operating surplus before changes in working capital	<u>47,220</u>	<u>75,751</u>
Decrease/(Increase) in prepayment and other receivables	-	9,250
Increase/(Decrease) in accruals	(4,310)	18,737
<i>Net cash used in operating activities</i>	<u>42,910</u>	<u>103,738</u>
Cash flows from investing activities		
Bank interest income received	<u>900</u>	<u>8</u>
<i>Net cash used in investing activities</i>	<u>900</u>	<u>8</u>
Net increase in cash and cash equivalents	43,810	103,746
Cash and cash equivalents at beginning of year	<u>875,763</u>	<u>772,017</u>
Cash and cash equivalents at end of year	<u><u>919,573</u></u>	<u><u>875,763</u></u>

GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1. GENERAL

Good Hope School Parent-Teacher Association (the “Association”) was established on 26 July 1994 in accordance with the Societies Ordinance and the Association’s constitution. The Association’s principal place of operation is 303 Clear Water Bay Road, Kowloon, Hong Kong.

The principal activities of the Association are to form a parent-teacher network to facilitate the growth of the students in line with the school’s mission, and to enhance communication and understanding between the parents and the teachers.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard 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 and are presented in Hong Kong dollars (“HK\$”) which is also the Association’s functional currency.

These financial statements have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalent

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably on the following bases:

- (i) Annual subscription, recognized in the period in which the relevant services are rendered;
- (ii) Interest income, measured on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial assets;
- (iii) Subvention, project / programme or other income, recognized when the Association’s entitlements are established over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis; and
- (iv) Sale of goods, recognized when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Association maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2019****4. PROJECT / PROGRAMME INCOME AND EXPENSES**

<u>2019</u>	Income HK\$	Expenses HK\$	Surplus /(Deficit) HK\$
Annual general meeting	-	(3,400)	(3,400)
Cleaning fee	27,300	(8,635)	18,665
Flu vaccination	104,205	(83,990)	20,215
Graduation pin design competition & Production	9,400	(20,900)	(11,500)
Music and talent show	6,240	(49,483)	(43,243)
Parent-Child Voluntary Services	-	(2,265)	(2,265)
Parent seminar	-	(30,844)	(30,844)
Sport team annual gathering	11,040	(53,205)	(42,165)
T&L kit sales	35,100	(20,416)	14,684
Thank-you lunch	12,496	(26,472)	(13,976)
	<u>205,781</u>	<u>(299,610)</u>	<u>(93,829)</u>

<u>2018</u>	Income HK\$	Expenses HK\$	Surplus /(Deficit) HK\$
Annual general meeting	-	(7,257)	(7,257)
Cleaning fee	20,760	(2,000)	18,760
Flu vaccination	90,925	(71,875)	19,050
Graduation pin design competition & production	9,000	(18,000)	(9,000)
Music and talent show dinner	13,600	(43,002)	(29,402)
Parent seminar	-	(6,927)	(6,927)
Sport team annual gathering	12,740	(40,013)	(27,273)
T&L kit sales	37,930	(19,871)	18,059
Thank-you lunch	12,500	(28,839)	(16,339)
	<u>197,455</u>	<u>(237,784)</u>	<u>(40,329)</u>

5. AUDITORS' REMUNERATION

No auditors' remuneration was paid to the Honorary Auditors of the Association (2018: Nil).

GOOD HOPE SCHOOL PARENT-TEACHER ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

6. REMUNERATION TO EXECUTIVE COMMITTEE' MEMBERS

None of the executive committee members or other members of the Association received any remuneration in respect of their services to the Association during the year (2018: Nil).

7. TAX

The Association is regarded as a charitable organisation and therefore is exempt from Hong Kong Profits Tax under Section 88 of the Hong Kong Inland Revenue Ordinance. Accordingly, no provision for Hong Kong Profits Tax has been made in the financial statements (2018: Nil).

No provision for deferred tax has been made as there should be no future tax consequences (2018: Nil).

8. CASH AND CASH EQUIVALENTS

	2019	2018
	HK\$	HK\$
Cash at bank	919,494	875,331
Cash on bank	79	432
	<u>919,573</u>	<u>875,763</u>

9. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Executive Committee members on 23 October 2019.