

PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
培僑書院家長教師會有限公司

REPORT OF THE DIRECTORS
AND
FINANCIAL STATEMENTS

FOR THE PERIOD 10TH DECEMBER, 2007
(DATE OF INCORPORATION)
TO
31ST AUGUST, 2008

PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
培僑書院家長教師會有限公司

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PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
培僑書院家長教師會有限公司
REPORT OF THE DIRECTORS

The directors have pleasure in submitting their first report together with the audited financial statements for the period 10th December, 2007 (date of incorporation) to 31st August, 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Association during the period were the promotion of interactive communications and collaborations between parents and teachers of Pui Kiu College (College); cooperation with the College for implementation of the College's mission and vision and participation in the management of the College for the betterment of student's affairs.

FINANCIAL RESULT

The result of the Association for the period ended 31st August, 2008 and the state of the Association at that date are set out in the financial statements on pages 4 to 10.

DIRECTORS

The directors during the financial period and up to date of this report are: -

Mr. Chan Ka Kit	(appointed on 21st December, 2007)
Ms. Chan Suk Yee	(appointed on 21st December, 2007)
Mr. Cheung Sing Kwen	(appointed on 21st December, 2007)
Mr. Cheung Chu Man, Raymond	(appointed on 21st December, 2007)
Mr. Chun Shun Lun, Kenneth	(appointed on 21st December, 2007)
Ms. Cao Jian We	(appointed on 2nd February, 2008)
Mr. Cheng Shu Sum, Summe	(appointed on 2nd February, 2008)
Mr. Chung Wai Kin	(appointed on 2nd February, 2008)
Ms. Chu Pui Han, Dorothy	(appointed on 21st December, 2007 and resigned on 2nd February, 2008)
Mr. Fung Hoi Wing	(appointed on 21st December, 2007)
Ms. Fong Mun Han	(appointed on 21st December, 2007 and resigned on 2nd February, 2008)
Mr. Ho Kin Wo	(appointed on 21st December, 2007)
Ms. Leung Suk Ha, Victoria	(appointed on 21st December, 2007)
Ms. Leung Pui Yin, Sandra	(appointed on 21st December, 2007)
Ms. Lo Ngar Yin	(appointed on 2nd February, 2008)
Mr. Mah Ka Keung, Peter	(appointed on 2nd February, 2008)
Mr. Tse Ping Sin	(appointed on 21st December, 2007)
Mr. Yeung Chung Kuen	(appointed on 21st December, 2007 and resigned on 2nd February, 2008)
Ms. Yiu Yan Yan	(appointed on 2nd February, 2008)
Mr. Wong Tang Tat, Tommy	(appointed on 21st December, 2007)
Ms. Wu Ying Shuen	(appointed on 2nd February, 2008)

In accordance with article 38 of the Association's Articles of Association, the term of office for the directors elected and appointed shall end at the closing of the next Annual General Meeting.

No contract of significance to which the Association was a party and in which a director of the Association had a material interest, subsisted at the end of the period or at any time during the period.

PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
培僑書院家長教師會有限公司
REPORT OF THE DIRECTORS (CONTINUE)

DIRECTORS (CONTINUE)

At no time during the period was the Association a party to any arrangement to enable the directors of the Association to acquire benefits by means of acquisition of shares in or debentures of any other body corporate.

AUDITORS

A resolution for the reappointment of Messrs. Ip Ping Sum & Company, certified public accountants, as auditors of the Association is to be proposed at the forthcoming annual general meeting.

By order of the board



Ho Kin Wo
Chairman

Hong Kong, 10th October, 2008

葉炳森會計師事務所
IP PING SUM & COMPANY
Certified Public Accountants (Practising)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
培僑書院家長教師會有限公司
(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Piu Kiu College Parent-Teacher Association Limited (the Association) set out on pages 4 to 10, which comprise the balance sheet as at 31st August, 2008, and the income statement, statement of changes in equity and cash flow statement for the period 10th December, 2007 (date of incorporation) to 31st August, 2008, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements 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.

Auditors' responsibility

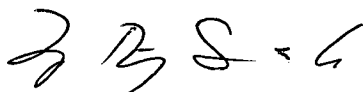
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 directors, 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.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31st August, 2008 and of its surplus and cash flows for the period 10th December, 2007 (date of incorporation) to 31st August, 2008 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Certified Public Accountants
Hong Kong, 10th October, 2008

PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
 培僑書院家長教師會有限公司
 INCOME STATEMENT
 FOR THE PERIOD 10TH DECEMBER, 2007 (DATE OF INCORPORATION)
 TO 31ST AUGUST, 2008


	NOTE	HK\$
MEMBERSHIP FEES		43,700
OTHER REVENUE	4	63,535
TOTAL REVENUE		<u>107,235</u>
OPERATING EXPENSES	5	(61,928)
ADMINISTRATIVE EXPENSES	6	(7,704)
OPERATING SURPLUS BEFORE TAXATION		<u>37,603</u>
TAXATION	8	--
SURPLUS AFTER TAXATION AND CARRIED FOWARD		<u><u>37,603</u></u> =====

The notes on pages 8 to 10 form part of these financial statements.


PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
培僑書院家長教師會有限公司
BALANCE SHEET AT 31ST AUGUST, 2008

	NOTES	HK\$
CURRENT ASSETS		
Membership fees and other receivable	9	1,740
Cash at banks		96,863
		<u>98,603</u>
CURRENT LIABILITIES		
Membership fees received in advance	10	61,000
		<u>37,603</u>
MEMBERS' EQUITY		
Retained surplus		<u>37,603</u>

Approved by the board of directors on 10th October, 2008



Ho Kin Wo
Chairman



Mah Ka Keung, Peter
Treasurer

The notes on pages 8 to 10 form part of these financial statements.

PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
培僑書院家長教師會有限公司
CASH FLOWS STATEMENT
FOR THE PERIOD 10TH DECEMBER, 2007 (DATE OF INCORPORATION)
TO 31ST AUGUST, 2008

	HK\$
Cash flows from operating activities	
Surplus before taxation	37,603
Increase in accounts receivable	(1,740)
Increase in membership fees received in advance	61,000
Net cash generated from operations	<u>96,863</u>
Cash at banks at beginning of the period	--
Cash at banks at end of the period	<u><u>96,863</u></u>

PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
 培僑書院家長教師會有限公司
 STATEMENT OF CHANGES IN MEMBERS' EQUITY
 FOR THE PERIOD 10TH DECEMBER, 2007 (DATE OF INCORPORATION)
 TO 31ST AUGUST, 2008

	Accumulated surplus HK\$
At 10th December, 2007 (date of incorporation)	--
Net surplus for the period	37,603
At 31st August, 2008	<u>37,603</u> =====

PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
培僑書院家長教師會有限公司
NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Association is incorporated in Hong Kong as a company limited by guarantee with its registered office located at Pui Kiu College, Lower Shing Mun Road, Tai Wai, Shatin, New Territories, Hong Kong. Its principal activities include, inter alia, the promotion of interactive communications and collaborations between parents and teachers of Pui Kiu College (College); cooperation with the College for implementation of the College's mission and vision; participation in the management of the College for the betterment of student's affairs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The financial statements have been prepared under the historical cost convention.

a. Revenue recognition

Provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, revenue was recognized in the income statement as follows: -

- (i) Membership fees are recognized on a straight-line basis over the membership period.
- (ii) Revenue from service activities is recognized upon completion of the services provided.
- (iii) Interest income is recognized on a time apportionment basis using the effective interest method.

b. Membership fees and other receivables

Membership fees and other receivables are initially recognized at fair value and thereafter at amortized cost less impairment losses for bad and doubtful debts.

c. Accrual and other payables

Accrual and other payables are initially recognized at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

d. Equity

For the purpose of capital disclosure, the Association regards the retained surplus and other capital fund as capital of the Association.

e. Taxation

The Association provides for taxation on the basis of the result of the Association for the period as adjusted for items, which are not assessable or deductible for income tax purposes.

Deferred tax is provided in full, using the liability method, on the temporary differences arising between the tax bases and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
 培僑書院家長教師會有限公司
 NOTES ON THE FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT

Financial instruments consist of “membership fee and other receivables” and “accruals and other payables” and “cash at banks”. Being member-based organization, the Association carries as little risks from financial instruments as practicable. The Association is exposed to various financial risks that are discussed below:

(i) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Association’s membership fees and other receivables are very short term in nature and the associated risk is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty settling its liabilities or selling a financial asset quickly at close to its fair value. In view of the relatively small amount of the Association’s short-term liability, the Association considers that liquidity risk is immaterial.

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Association is subject to the risk due to fluctuations in the prevailing levels of market interest rates on its cash at banks.

The interest risk exposure of the Association is set out below:

	HK\$
Savings account	50,490
	<u>=====</u>

4. OTHER REVENUE

	HK\$
Income from May 1 Picnic	63,145
Income from May 9 Parent Seminar	390
	<u>63,535</u>
	<u>=====</u>

5. OPERATING EXPENSES

	HK\$
May 1 Picnic	56,206
May 9 Parent Seminar	3,980
June 4 Meeting	1,124
Swimming Pool Opening Ceremony	360
Summer English Course	258
	<u>61,928</u>
	<u>=====</u>

PUI KIU COLLEGE PARENT-TEACHER ASSOCIATION LIMITED
 培僑書院家長教師會有限公司
 NOTES ON THE FINANCIAL STATEMENTS

6. ADMINISTRATIVE EXPENSES

	HK\$
Bank charges	150
Business registration fee	2,600
Communication	1,300
Meeting expenses	1,340
Incorporation fee	1,025
Printing and stationery	1,285
Postage	4
	<u>7,704</u>

7. DIRECTORS' REMUNERATION

The directors served the Association on voluntary basis and are not remunerated.

8. TAXATION

During the period 10th December, 2007 (date of incorporation) to 31st August, 2008, the Association received more than half of its gross receipts from its members on revenue account (including membership fees and income from various activities). According to sec. 24 (1) of the Inland Revenue Ordinance, the Association shall be deemed not to carry on a business and no provision of taxation is considered necessary for the period.

9. MEMBERSHIP FEES AND OTHER RECEIVABLES

	HK\$
Membership fees receivable	1,700
Other receivable	40
	<u>1,740</u>

The fair value of the Association's membership fees and other receivable at the balance sheet date approximates their carrying value.

10. MEMBERSHIP FEES RECEIVED IN ADVANCE

The Association charges its members an annual membership fee based on a school year (i.e. 1st September to 31st August) which is recognized on a straight-line over the membership period. Membership fees received in advance represent unearned income for the period 1st September, 2008 to 31st August, 2009.