

香港航空青年團
HONG KONG AIR CADET CORPS
(Incorporated in Hong Kong)
For the year ended 31st March 2012

REPORTS AND ACCOUNTS

謝煜權會計師事務所有限公司
Raymond Y. K. Tse & Co. CPA Limited
Certified Public Accountants (Practising)
HONG KONG

HONG KONG AIR CADET CORPS ("The Corps")

EXECUTIVE BOARD MEMBERS' REPORT

The Executive Board Members have pleasure in presenting their Report and the Audited Accounts for the year ended 31st March 2012.

Accounts

The results for the year ended 31st March 2012 and the state of the Corps' affairs at that date are set out in the accounts on pages 1 to 14.

Incorporation

The Corps was incorporated in Hong Kong on 1st September 2008 under the Hong Kong Companies Ordinance. The Corps is limited by guarantee and not having a share capital.

Principal Activity

The Principal activity of the Corps is the provision of aviation education and youth development programmes.

Property, Plant and Equipment

The changes in the property, plant and equipment of the Corps are stated in Note 13 of the accounts.

Executive Board Members

The Executive Board Members in office during the year were:-

Chau Cham Chiu, Peter	(周湛樵)	
Lo Shung Man	(羅崇文)	
Lee Kwok Wing	(李國榮)	
Loh Hogan	(樂可均)	
Lau Wing Chu, Edwin	(劉榮柱)	
Chow Wai Chung, Edmund	(周偉忠)	
Fung Ying Chung, Joe	(馮應聰)	
Lau Hon Wah, Steve	(劉漢華)	
Pong Oi Lan, Scarlett	(龐愛蘭)	
Ng Wai Cheong	(吳蔚昌)	(Appointed on 7th March 2011)
Pang Sung Yuen	(彭詢元)	
Wong Ka Lun	(黃家倫)	
Leung Koon Ping	(梁冠平)	
Yeung Alexander	(楊國佳)	(Appointed on 27th July 2011)
Ng Yue Keung	(吳羽強)	(Resigned on 7th March 2011)

In accordance with Article 44 of the Corps' Articles of Association, the Executive Board Members retired but, being eligible, offer themselves for re-election.

Executive Board Members' Benefits

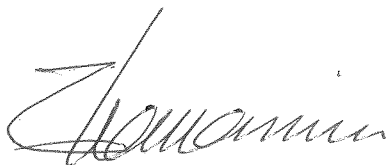
None of the Executive Board Members had whether directly or indirectly any interest in significant contracts with the Corps during or at the end of the year.

None of the Executive Board Members had any arrangement with the Corps to enable them to acquire benefits by means of the acquisition of shares in or debentures of the Corps or any other body corporate during or at the end of the year.

Auditors

A resolution for the reappointment of Raymond Y. K. Tse & Co. CPA Limited as auditors of the Corps is to be proposed at the forthcoming Annual General Meeting.

By Order of the Executive Board



Chairman

Dated this Hong Kong: 18 JUN 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG AIR CADET CORPS

(Incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

We have audited the financial statements of the Corps set out on pages 1 to 14, which comprise the balance sheet as at 31st March 2012, and the income and expenditure account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive Board Members' responsibility for the financial statements

The Executive Board Members 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.

Auditor's 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 auditor's 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 auditor considers 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 Executive Board Members, 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.

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INDEPENDENT AUDITOR'S REPORT

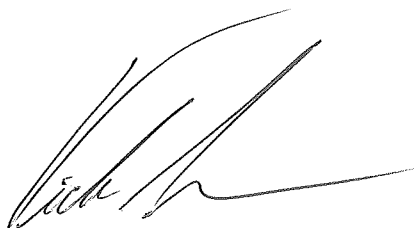
TO THE MEMBERS OF

HONG KONG AIR CADET CORPS

(Incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Corps' affairs as at 31st March 2012 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Raymond Y. K. Tse & Co. CPA Limited
Certified Public Accountants (Practising)

Tse Wing Sing, Victor
Practising Certificate Number : P03617

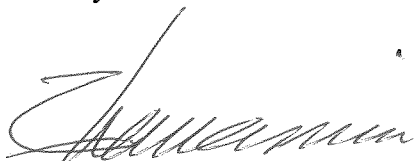
Dated this Hong Kong: 18 JUN 2012

HONG KONG AIR CADET CORPS
BALANCE SHEET AS AT 31ST MARCH 2012

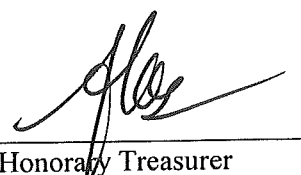
	Note	As at 31/3/2012 HK\$	As at 31/3/2011 HK\$
Ceremonial Flight Fund	(2)	9,435.87	9,435.87
Choir Fund	(3)	5,747.00	5,747.00
Capital Projects and Equipment Fund	(4)	259,796.42	267,664.80
Aviation Education Fund	(5)	250,000.00	250,000.00
Flying Eagle Programme Fund	(6)	67,726.20	109,426.20
Education Bureau Fund - Scheme for Needy Student Members	(7)	58,554.50	58,554.50
HAB Subvention - Happy Family	(8)	944,571.29	269,550.92
Yuen Yuen Institute - Ha Fa Shan	(9)	5,106.83	1,000,000.00
HAB subvention - Scheme for Needy Student Members	(10)	31,306.00	-
Accumulated Surplus		<u>3,581,636.37</u>	<u>3,325,037.57</u>
Total Fund		<u><u>5,213,880.48</u></u>	<u><u>5,295,416.86</u></u>
Current Assets			
Cash and bank balances	(11)	1,602,113.17	2,591,136.17
Fixed deposit		2,100,016.64	2,200,035.56
Prepayment, utility and sundry deposit		89,186.16	169,975.71
Stock	(1e)	<u>1,210,614.17</u>	<u>606,339.43</u>
		<u>5,001,930.14</u>	<u>5,567,486.87</u>
Less : Current Liabilities			
Accruals		51,350.22	542,963.19
Deposit received		101,286.48	237,680.73
Membership fee received in advance	(12)	-	2,022.00
		<u>152,636.70</u>	<u>782,665.92</u>
Working Capital		<u>4,849,293.44</u>	<u>4,784,820.95</u>
Add : Property, Plant and Equipment	(13)	<u>364,587.04</u>	<u>510,595.91</u>
Total Net Assets		<u><u>5,213,880.48</u></u>	<u><u>5,295,416.86</u></u>

The annexed notes from pages 5 to 14 form part of these financial statements.

Approved by the Executive Board on 18 JUN 2012



Chairman



Honorary Treasurer

HONG KONG AIR CADET CORPS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2012

	Ceremonial Flight Fund HK\$	Choir Fund HK\$	Capital Projects and Equipment Fund HK\$	Aviation Education Fund HK\$	Flying Eagle Programme Fund HK\$	EDB Scheme for Needy Student Members HK\$	HAB Subvention - Happy Family HK\$	Yuen Yuen Institute - Ha Fa Shan HK\$	HAB Subvention - Scheme for Needy Student Members HK\$	Accumulated Surplus HK\$	Total HK\$
As at 31st March 2010	9,435.87	5,747.00	489,944.30	250,000.00	109,426.20	45,348.50	-	-	-	3,391,661.12	4,301,562.99
Additions for the year	-	-	19,228.00	-	-	30,000.00	435,800.00	1,000,000.00	-	-	1,485,028.00
Utilisation for the year	-	-	(241,507.50)	-	-	(16,794.00)	(166,249.08)	-	-	-	(424,550.58)
(Deficit) for the year	-	-	-	-	-	-	-	-	-	(66,623.55)	(66,623.55)
As at 31st March 2011	9,435.87	5,747.00	267,664.80	250,000.00	109,426.20	58,554.50	269,550.92	1,000,000.00	-	3,325,037.57	5,295,416.86
Additions for the year	-	-	106,775.71	-	-	-	1,710,940.00	-	54,000.00	-	1,871,715.71
Utilisation for the year	-	-	(114,644.09)	-	(41,700.00)	-	(1,035,919.63)	(994,893.17)	(22,694.00)	-	(2,209,850.89)
Surplus for the year	-	-	-	-	-	-	-	-	-	256,598.80	256,598.80
As at 31st March 2012	9,435.87	5,747.00	259,796.42	250,000.00	67,726.20	58,554.50	944,571.29	5,106.83	31,306.00	3,581,636.37	5,213,880.48

HONG KONG AIR CADET CORPS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2012

	Note	Year ended 31/3/2012 HK\$	Year ended 31/3/2011 HK\$
Income			
Subvention income	(14)	1,706,480.00	1,860,540.00
Membership fee income		142,932.00	147,552.00
Endowment		987,035.00	596,753.69
Surplus fund from flag day	(15)	330,394.28	570,292.97
Other income		25,001.52	15,760.10
Bank interest income		240.13	3,150.03
Surplus on trading account	(16)	264,519.80	112,784.70
		<u>3,456,602.73</u>	<u>3,306,833.49</u>
Less : Expenditure			
Advertising		1,580.00	15,368.00
Auditors' remuneration		18,000.00	16,000.00
Bank charges and interest		2,677.85	2,222.45
Building management fee		11,578.00	10,996.00
Cleaning charges		31,100.00	27,018.50
Courier charges		5,781.00	5,665.00
Depreciation		131,002.14	183,731.67
Electricity and water		51,402.54	45,103.45
Entertainment		1,662.00	7,970.00
Freight charges		100.00	100.00
Insurance		75,525.02	80,669.57
Licence fee		5,940.00	6,480.00
Loss on written off of general furniture, fixtures and equipment		15,006.73	5,371.26
Minor purchase, repairs and maintenance		53,381.32	130,796.02
Motor vehicles expenses		40,626.28	39,597.39
Net deficit on various activities	(17)	708,347.90	834,911.38
Postage		7,127.00	2,281.00
Printing and stationery		20,128.79	29,496.40
Provident fund and mandatory provident fund contribution		74,415.82	74,466.18
Rent, rates and utilities charges		58,475.00	92,737.00
Souvenir		42,118.69	45,565.90
Squadron subsidies		125,449.09	192,069.81
Staff salaries and contract end gratuities		1,613,273.36	1,410,972.27
Storage charges		57,687.60	60,161.60
Subscription fee		2,000.00	2,600.00
Sundry expenses		8,798.50	13,488.30
Telephone and internet charges		36,004.00	37,041.79
Travelling expenses		815.30	576.10
		<u>3,200,003.93</u>	<u>3,373,457.04</u>
Surplus/(Deficit) for the year		<u>256,598.80</u>	<u>(66,623.55)</u>

HONG KONG AIR CADET CORPS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2012

	Year ended 31/3/2012 HK\$	Year ended 31/3/2011 HK\$
Cash flow from operating activities		
Surplus/(Deficit) for the year	256,598.80	(66,623.55)
Depreciation	131,002.14	183,731.67
Bank interest income	(240.13)	(3,150.03)
Bank charges and interest	2,677.85	2,222.45
Loss on written off of general furniture, fixtures and equipment	15,006.73	5,371.26
Operating surplus before working capital changes	405,045.39	121,551.80
Decrease/(Increase) in prepayment, utility and sundry deposit	80,789.55	(74,090.64)
(Increase)/Decrease in stock	(604,274.74)	36,080.35
(Decrease)/Increase in accruals	(491,612.97)	488,502.19
(Decrease)/Increase in deposit received	(136,394.25)	109,216.73
(Decrease) in membership fee received in advance	(2,022.00)	(12,042.00)
Cash (used in)/generated from operation	(748,469.02)	669,218.43
Bank interest income	240.13	3,150.03
Bank charges and interest	(2,677.85)	(2,222.45)
Net cash (used in)/generated from operating activities	(750,906.74)	670,146.01
Cash flows from investing activities		
Payment to acquire property, plant and equipment	-	(86,048.00)
Net cash (used in) investing activities	-	(86,048.00)
Cash flows from financing activities		
Expenditure on the various surplus fund	(2,209,850.89)	(424,550.58)
Cash received from donors for the surplus fund	1,871,715.71	1,485,028.00
Net cash (used in)/generated from financing activities	(338,135.18)	1,060,477.42
(Decrease)/Increase in cash and cash equivalents	(1,089,041.92)	1,644,575.43
Cash and cash equivalents brought forward	4,791,171.73	3,146,596.30
Cash and cash equivalents carried forward	3,702,129.81	4,791,171.73
Analysis of the balances of cash and cash equivalents :-		
Cash and bank balances	1,602,113.17	2,591,136.17
Fixed deposit	2,100,016.64	2,200,035.56
	3,702,129.81	4,791,171.73

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Reporting entity

Hong Kong Air Cadet Corps ("the Corps") was incorporated in Hong Kong under the Hong Kong Companies Ordinance with limited liabilities. The Corps is limited by guarantee and not having a share capital. The Corps' registered office is located at Room D, 32nd Floor, Lippo Centre, Tower 1, 89 Queensway, Hong Kong. The Corps' principal activity is the provision of aviation education and youth development programmes.

Note 1 Basis of preparation and accounting policies

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants and have been prepared under the accrual basis of accounting and on the basis that the Corps is a going concern.

The financial statements have been prepared on the historical cost basis.

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements:-

(a) Revenue

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

- (i) Sale of goods is recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer;
- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable;
- (iii) Membership fees is recognised when the income is received and receivable;
- (iv) Government grants is recognised as income over the period necessary to match them with the related cost which they are intended to compensate, on a systematic basis; and
- (v) Endowment income is recognised when the income is received.

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 1 Basis of preparation and accounting policies (Continued)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 reducing balance method. The principal annual rates used for depreciation are as follows:-

Leasehold improvement	30%
General furniture, fixtures and equipment	25%
Donated furniture, fixtures and equipment	25%

(c) Impairment of assets

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior period.

(d) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the Profit and Loss Account.

(e) Stock

Stock are stated at the lower of cost (using a weighted average basis) and net realisable value. In arriving at net realisable value an allowance has been made for deterioration and obsolescence.

(f) Income tax

The Corps being a not-for-profit organisation is exempted from Hong Kong Profits Tax by virtue of Section 88 of the Inland Revenue Ordinance on 1st September 2008.

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 1 Basis of preparation and accounting policies (Continued)

(g) Cash flows

For the purpose of the cash flow statement, cash and cash equivalents includes cash in hand, cash at bank and net of bank overdraft.

(h) Cash equivalents

Cash equivalents represents short-term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired; less advances from banks repayable within three months from the date of the advance.

(i) Operating leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(j) Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Corps has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(k) Employee benefits

(i) Salaries, wages, contract end gratuities are accrued in the period in which the associated services are rendered by employees of the Corps.

Employee entitlements to sick leave and maternity leave are recognized when the absences occur.

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 1 Basis of preparation and accounting policies (Continued)

(k) Employee benefits (Continued)

(ii) The Corps operates a defined contribution mandatory provident fund scheme ("MPF Scheme") and provident fund Scheme ("P-Fund Scheme") for its employees in Hong Kong. The assets of the MPF Scheme and P-Fund Scheme are held separately from those of the Corps in independent administered funds.

The Corps and the employees are required to contribute 5% of the employees' relevant income, subject to a maximum of HK\$1,000 per employee per month under the MPF Scheme. The Corps is also required to contribute a maximum of 15% of the employee's relevant income under the P-Fund Scheme. The Corps has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and prepared contributions are recognised as an asset to the extent that a cash refund is available.

Note 2 Ceremonial Flight Fund

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
Balance brought forward	9,435.87	9,435.87
Balance carried forward	<u>9,435.87</u>	<u>9,435.87</u>

The fund represents donation received to acquire musical instrument and uniform for ceremonial flight purpose.

Note 3 Choir Fund

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
Balance brought forward	5,747.00	5,747.00
Balance carried forward	<u>5,747.00</u>	<u>5,747.00</u>

The fund represents donation received to acquire musical equipment and uniform for choir.

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 4 Capital Projects and Equipment Fund

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
Balance brought forward	267,664.80	489,944.30
Donation received	106,775.71	19,228.00
	<u>374,440.51</u>	<u>509,172.30</u>
Utilisation during the year	(114,644.09)	(241,507.50)
Balance carried forward	<u>259,796.42</u>	<u>267,664.80</u>

The fund is earmarked to finance capital projects and equipment acquisition essential to the on going development of the Corps. The fund shall be maintained by transfers from the operational surplus of the Corps and by money generated from fund raising projects.

Note 5 Aviation Education Fund

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
Balance brought forward	250,000.00	250,000.00
Balance carried forward	<u>250,000.00</u>	<u>250,000.00</u>

The fund is earmarked to support activities, programmes, projects in relating to aviation education, flying training and aeromodelling in the Corps. The fund shall be maintained by transfers from the operational surplus of the Corps and by money generated from fund raising projects.

Note 6 Flying Eagle Programme Fund

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
Balance brought forward	109,426.20	109,426.20
Utilization during the year	(41,700.00)	-
Balance carried forward	<u>67,726.20</u>	<u>109,426.20</u>

The fund was set up from donations received under the Operation Flying Eagle Corporate Citizenship Programme founded by Specialist Flight Lieutenant Michael Fitzgerald Wong to support educational helicopter flying.

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 7 Education Bureau Fund - Scheme for Needy Student Members

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
Balance brought forward	58,554.50	45,348.50
Fund allocated	-	30,000.00
	<u>58,554.50</u>	<u>75,348.50</u>
Utilisation during the year	-	(16,794.00)
Balance carried forward	<u>58,554.50</u>	<u>58,554.50</u>

The fund was provided by the Education Bureau to assist the needy student members of uniformed groups in purchasing uniforms, participating in camping/outing activities or joining leadership training courses.

Note 8 HAB Subvention - Happy Family

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
Balance brought forward	269,550.92	-
Donation received	1,710,940.00	435,800.00
	<u>1,980,490.92</u>	<u>435,800.00</u>
Utilisation during the year	(1,035,919.63)	(166,249.08)
Balance carried forward	<u>944,571.29</u>	<u>269,550.92</u>

The fund was provided by Home Affairs Bureau to promote a closer tie between members and their family by engaging the latter in Corps activities and programmes.

Note 9 Yuen Yuen Institute - Ha Fa Shan Campsite

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
Balance brought forward	1,000,000.00	-
Donation received from Yuen Yuen Institute	-	1,000,000.00
	<u>1,000,000.00</u>	<u>1,000,000.00</u>
Utilization during the year	(994,893.17)	-
Balance carried forward	<u>5,106.83</u>	<u>1,000,000.00</u>

The fund was provided by Yuen Yuen Institute to construct the Ha Fa Shan campsite and related facilities for use as an outdoor training base by young people of Hong Kong. All expenditures should be approved by the Committee - 下花山營地建設諮詢委員會.

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 10 HAB Subvention - Scheme for Needy Student Members

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
Fund allocated	54,000.00	-
Utilization during the year	(22,694.00)	-
Balance carried forward	<u>31,306.00</u>	<u>-</u>

The fund was provided by the Home Affairs Bureau to assist the needy student members of uniformed groups in purchasing uniforms, participating in camping/outing activities or joining leadership training courses.

Note 11 Cash and bank balances

	As at 31/3/2012	As at 31/3/2011
	HK\$	HK\$
HSBC - HK Dollar - Current Account No.:-		
#808-620280-001	60,947.41	78,770.06
#808-620280-002	77,822.53	142,878.89
#808-620280-003	88,264.33	176,322.36
#808-620280-004	10.12	218,206.22
#808-620280-005	34,294.66	9,207.81
#808-620280-006	27,730.05	11,508.69
#808-620280-007	37,664.28	39,631.30
#808-620280-008	6,194.28	113,006.38
#808-620280-009	10,920.11	12,770.11
#817-429079-001	10,000.00	1,000,000.00
HSBC - HK Dollar - Saving Account No.:-		
#808-620298-292	774,450.19	10,340.96
#808-620280-292	469,616.61	774,514.79
#848-176319-838	220.00	-
Cash in hand	3,978.60	3,978.60
	<u>1,602,113.17</u>	<u>2,591,136.17</u>

Note 12 Membership fees received in advance

Membership fees received in advance is transferred to the income and expenditure account in the year to which the membership fees are related.

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 13 Property, plant and equipment

	<u>Leasehold Improvement</u> HK\$	<u>General Furniture, Fixtures and Equipment</u> HK\$	<u>Donated Furniture, Fixtures and Equipment</u> HK\$	<u>Total</u> HK\$
At Cost				
As at 31st March 2011	1,311,996.80	1,799,059.55	20,726.00	3,131,782.35
Written off	-	(136,664.00)	-	(136,664.00)
As at 31st March 2012	<u>1,311,996.80</u>	<u>1,662,395.55</u>	<u>20,726.00</u> *	<u>2,995,118.35</u>
Less : Accumulated Depreciation				
As at 31st March 2011	1,169,899.89	1,430,858.46	20,428.09	2,621,186.44
Charge for the year	42,629.07	88,298.59	74.48	131,002.14
Written back	-	(121,657.27)	-	(121,657.27)
As at 31st March 2012	<u>1,212,528.96</u>	<u>1,397,499.78</u>	<u>20,502.57</u>	<u>2,630,531.31</u>
Net Book Value				
As at 31st March 2012	<u>99,467.84</u>	<u>264,895.77</u>	<u>223.43</u>	<u>364,587.04</u>
As at 31st March 2011	142,096.91	368,201.09	297.91	510,595.91

* The balances included a motor vehicle with registration No.: JZ7012 donated by third party during the year ended 31st March 2011.

Note 14 Subvention income

	<u>Year ended 31/3/2012</u> HK\$	<u>Year ended 31/3/2011</u> HK\$
Home Affairs Bureau Subvention	1,080,000.00	1,298,740.00
Community Chest	626,480.00	561,800.00
	<u>1,706,480.00</u>	<u>1,860,540.00</u>

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 15 Surplus fund from flag day

	Year ended 31/3/2012	Year ended 31/3/2011
	HK\$	HK\$
Income		
Appeal letters	109,210.00	173,945.00
Flag day collection	249,978.20	457,722.10
	<u>359,188.20</u>	<u>631,667.10</u>
Less : Expenditure		
Audit fee	2,000.00	2,000.00
Cleaning and repair fees of flags bags	2,248.05	2,736.60
Certificate and souvenirs for helpers	5,619.45	23,710.00
Insurance	3,000.00	2,700.00
Printing and stationery	1,650.00	8,237.00
Postage	350.00	126.00
Sundry expenses	11,570.00	9,910.50
Transportation charges	2,356.42	11,954.03
	<u>28,793.92</u>	<u>61,374.13</u>
Surplus fund transfer to income and expenditure account	<u>330,394.28</u>	<u>570,292.97</u>

The Flag Day Appeal of Hong Kong Air Cadet Corps was held on 20th July 2011 and the above surplus fund account was audited on 10th October 2011. The net proceeds from the flag day has been fully utilised during the financial year 2011 to 2012.

Note 16 Surplus on trading account

	Note	Year ended 31/3/2012	Year ended 31/3/2011
		HK\$	HK\$
Sales		<u>626,775.40</u>	<u>267,246.02</u>
Less : Cost of goods sold			
Opening stock		606,339.43	642,419.78
Add : Purchase		966,530.34	118,380.97
		<u>1,572,869.77</u>	<u>760,800.75</u>
Less : Closing stock	(1e)	1,210,614.17	606,339.43
		<u>362,255.60</u>	<u>154,461.32</u>
Surplus from trading account transfer to income and expenditure account		<u>264,519.80</u>	<u>112,784.70</u>

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 17 Net deficits on various activities

During the year, the Corps has the deficit on the various activities as follows:-

	Year ended 31/3/2012	Year ended 31/3/2011
	HK\$	HK\$
Adult training	(7,526.24)	3,315.31
Advance aviation education programme (Fixed Wing)	484.32	-
Advance aviation education programme (Helicopter)	(16,398.86)	(7,155.09)
Adventure Activities squadron	20,754.58	(4,921.14)
Annual dinner	67,917.98	43,321.35
Beating retreat	-	(627.73)
Vocational Qualification Organisation	14,203.54	2,570.40
Dragonfly	(31,071.00)	52,814.30
Fund walk	(128,399.60)	(131,152.20)
Liaison unit activities	27,748.00	17,113.50
International air cadet exchange	391,413.40	433,838.85
International air cadet exchange association	52,880.58	54,891.56
Mainland and local activities	3,795.00	81,596.77
Other activities and courses	50,734.92	57,871.90
Scholarship for glider aviator training programme	133,604.24	112,170.00
Summer camp	-	4,490.00
Technical Operations Support Wing	76,113.73	17,511.15
Training activities	37,859.31	79,024.45
UK training team programme	14,234.00	18,238.00
	<u>708,347.90</u>	<u>834,911.38</u>

Note 18 Executive Board Members' remuneration

Executive Board Members' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:-

	Year ended 31/3/2012	Year ended 31/3/2011
	HK\$	HK\$
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>