

香港航空青年團
HONG KONG AIR CADET CORPS
(Incorporated in Hong Kong)
For the year ended 31st March 2013

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

EXECUTIVE BOARD MEMBERS' REPORT

The Executive Board Members have pleasure in presenting their Report and the Audited Accounts for the year ended 31st March 2013.

Accounts

The results for the year ended 31st March 2013 and the state of the Corps' affairs at that date are set out in the accounts on pages 1 to 15.

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 12 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)	
Pang Sung Yuen	(彭詢元)	
Wong Ka Lun	(黃家倫)	
Leung Koon Ping	(梁冠平)	
Chan Kwok Chiu	(陳國超)	(Appointed on 1st April 2012)
Yip Dicky Peter	(葉迪奇)	(Appointed on 25th October 2012)
Yeung Alexander	(楊國佳)	(Resigned on 1st April 2012)

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 : 10 JUL 2013

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 Hong Kong Air Cadet Corps ("the Corps") set out on pages 1 to 15, which comprise the balance sheet as at 31st March 2013, and the income and expenditure account and statement of change 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, and for such internal control as the Executive Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of financial statements that give a true and fair view 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 2013 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 : 10 JUL 2013

HONG KONG AIR CADET CORPS
BALANCE SHEET AS AT 31ST MARCH 2013

	Note	As at 31/3/2013 HK\$	As at 31/3/2012 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)	192,268.32	259,796.42
Aviation Education Fund	(5)	250,000.00	250,000.00
Flying Eagle Programme Fund	(6)	67,726.20	67,726.20
Education Bureau Fund - Scheme for Needy Student Members	(7)	58,554.50	58,554.50
HAB Subvention - Happy Family	(8)	493,316.17	944,571.29
Yuen Yuen Institute - Ha Fa Shan Campsite	(9)	5,106.83	5,106.83
HAB subvention - Scheme for Needy Student Members	(10)	15,489.00	31,306.00
Accumulated Surplus		<u>5,152,578.84</u>	<u>3,581,636.37</u>
Total Fund		<u><u>6,250,222.73</u></u>	<u><u>5,213,880.48</u></u>
Current Assets			
Cash and bank balances	(11)	2,512,539.61	1,602,113.17
Fixed deposit		2,100,213.56	2,100,016.64
Prepayment, utility and sundry deposit		96,529.36	89,186.16
Stock	(1e)	<u>1,221,402.73</u>	<u>1,210,614.17</u>
		<u>5,930,685.26</u>	<u>5,001,930.14</u>
Less : Current Liabilities			
Accruals		29,404.50	51,350.22
Deposit received		<u>236,702.22</u>	<u>101,286.48</u>
		<u>266,106.72</u>	<u>152,636.70</u>
Working Capital		<u>5,664,578.54</u>	<u>4,849,293.44</u>
Add : Property, Plant and Equipment	(12)	<u>585,644.19</u>	<u>364,587.04</u>
Total Net Assets		<u><u>6,250,222.73</u></u>	<u><u>5,213,880.48</u></u>

The annexed notes from pages 5 to 15 form part of these financial statements.

Approved by the Executive Board on 10 JUL 2013


Chairman


Honorary Treasurer

HONG KONG AIR CADET CORPS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2013

	Ceremonial Flight Fund	Choir Fund	Capital Projects and Equipment Fund	Aviation Education Fund	Flying Eagle Programme Fund	EDB Scheme for Needy Student Members	HAB Subvention - Happy Family	Yuen Yuen Institute - Ha Fa Shan Campsite	HAB Subvention - Scheme for Needy Student Members	Accumulated Surplus	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
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)
(Deficit) 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
Additions for the year	-	-	-	-	-	-	120,872.00	-	24,926.00	-	145,798.00
Utilisation for the year	-	-	(67,528.10)	-	-	-	(572,127.12)	-	(40,743.00)	-	(680,398.22)
Surplus for the year	-	-	-	-	-	-	-	-	-	1,570,942.47	1,570,942.47
As at 31st March 2013	9,435.87	5,747.00	192,268.32	250,000.00	67,726.20	58,554.50	493,316.17	5,106.83	15,489.00	5,152,578.84	6,250,222.73

HONG KONG AIR CADET CORPS
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2013

	Note	Year ended 31/3/2013 HK\$	Year ended 31/3/2012 HK\$
Income			
Subvention income	(13)	1,974,530.00	1,706,480.00
Membership fee income		144,360.00	142,932.00
Endowment		586,111.30	987,035.00
Surplus fund from flag day	(14)	442,357.25	330,394.28
Other income		22,465.60	25,001.52
Bank interest income		213.67	240.13
Surplus on trading account	(15)	116,162.94	264,519.80
Surplus on fellowship gala dinner		1,414,100.80	-
		<u>4,700,301.56</u>	<u>3,456,602.73</u>
Less : Expenditure			
Advertising		-	1,580.00
Auditors' remuneration		20,000.00	18,000.00
Bank charges and interest		2,791.35	2,677.85
Building management fee		12,212.00	11,578.00
Cleaning charges		37,400.00	31,100.00
Courier charges		4,081.00	5,781.00
Depreciation		201,845.92	131,002.14
Electricity and water		46,370.98	51,402.54
Entertainment		10,949.00	1,662.00
Freight charges		-	100.00
Insurance		93,126.03	75,525.02
Licence fee		5,670.00	5,940.00
Loss on written off of general furniture, fixtures and equipment		16,446.93	15,006.73
Minor purchase, repairs and maintenance		131,748.14	53,381.32
Motor vehicles expenses		14,778.38	40,626.28
Net deficit on various activities	(16)	564,872.01	708,347.90
Postage		749.90	7,127.00
Printing and stationery		31,020.20	20,128.79
Provident fund and mandatory provident fund contribution		93,983.31	74,415.82
Rent, rates and utilities charges		44,313.00	58,475.00
Souvenir		65,488.19	42,118.69
Squadron subsidies		129,831.65	125,449.09
Staff salaries and contract end gratuities		1,496,246.10	1,613,273.36
Storage charges		60,331.80	57,687.60
Subscription fee		2,100.00	2,000.00
Sundry expenses		13,707.90	8,798.50
Telephone and internet charges		28,854.20	36,004.00
Travelling expenses		441.10	815.30
		<u>3,129,359.09</u>	<u>3,200,003.93</u>
Surplus for the year		<u>1,570,942.47</u>	<u>256,598.80</u>

HONG KONG AIR CADET CORPS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2013

	Year ended 31/3/2013 HK\$	Year ended 31/3/2012 HK\$
Cash flow from operating activities		
Surplus for the year	1,570,942.47	256,598.80
Depreciation	201,845.92	131,002.14
Bank interest income	(213.67)	(240.13)
Bank charges and interest	2,791.35	2,677.85
Loss on written off of general furniture, fixtures and equipment	16,446.93	15,006.73
Operating surplus before working capital changes	1,791,813.00	405,045.39
(Increase)/Decrease in prepayment, utility and sundry deposit	(7,343.20)	80,789.55
(Increase) in stock	(10,788.56)	(604,274.74)
(Decrease) in accruals	(21,945.72)	(491,612.97)
Increase/(Decrease) in deposit received	135,415.74	(136,394.25)
(Decrease) in membership fee received in advance	-	(2,022.00)
Cash generated from/(used in) operation	1,887,151.26	(748,469.02)
Bank interest income	213.67	240.13
Bank charges and interest	(2,791.35)	(2,677.85)
Net cash generated from/(used in) operating activities	1,884,573.58	(750,906.74)
Cash flows from investing activities		
Payment to acquire property, plant and equipment	(439,350.00)	-
Net cash (used in) investing activities	(439,350.00)	-
Cash flows from financing activities		
Expenditure on the various surplus fund	(680,398.22)	(2,209,850.89)
Cash received from donors for the surplus fund	145,798.00	1,871,715.71
Net cash (used in) financing activities	(534,600.22)	(338,135.18)
Increase/(Decrease) in cash and cash equivalents	910,623.36	(1,089,041.92)
Cash and cash equivalents brought forward	3,702,129.81	4,791,171.73
Cash and cash equivalents carried forward	4,612,753.17	3,702,129.81
Analysis of the balances of cash and cash equivalents :-		
Cash and bank balances	2,512,539.61	1,602,113.17
Fixed deposit	2,100,213.56	2,100,016.64
	4,612,753.17	3,702,129.81

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%
General motor vehicles	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\$1,250 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 31/3/2013	As at 31/3/2012
	HK\$	HK\$
Balance brought forward	9,435.87	9,435.87
Balance carried forward	9,435.87	9,435.87

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

Note 3 Choir Fund

	As at 31/3/2013	As at 31/3/2012
	HK\$	HK\$
Balance brought forward	5,747.00	5,747.00
Balance carried forward	5,747.00	5,747.00

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 31/3/2013	As at 31/3/2012
	HK\$	HK\$
Balance brought forward	259,796.42	267,664.80
Donation received	-	106,775.71
	<u>259,796.42</u>	<u>374,440.51</u>
Utilisation during the year	(67,528.10)	(114,644.09)
Balance carried forward	<u>192,268.32</u>	<u>259,796.42</u>

The fund is earmarked to finance capital projects and equipment acquisition essential to the ongoing 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 31/3/2013	As at 31/3/2012
	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 31/3/2013	As at 31/3/2012
	HK\$	HK\$
Balance brought forward	67,726.20	109,426.20
Utilization during the year	-	(41,700.00)
Balance carried forward	<u>67,726.20</u>	<u>67,726.20</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 31/3/2013	As at 31/3/2012
	HK\$	HK\$
Balance brought forward	58,554.50	58,554.50
Balance carried forward	58,554.50	58,554.50

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 31/3/2013	As at 31/3/2012
	HK\$	HK\$
Balance brought forward	944,571.29	269,550.92
Donation received	120,872.00	1,710,940.00
	1,065,443.29	1,980,490.92
Utilisation during the year	(572,127.12)	(1,035,919.63)
Balance carried forward	493,316.17	944,571.29

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 31/3/2013	As at 31/3/2012
	HK\$	HK\$
Balance brought forward	5,106.83	1,000,000.00
Utilization during the year	-	(994,893.17)
Balance carried forward	5,106.83	5,106.83

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 31/3/2013 HK\$	As at 31/3/2012 HK\$
Balance brought forward	31,306.00	54,000.00
Fund allocated	24,926.00	-
	56,232.00	54,000.00
Utilization during the year	(40,743.00)	(22,694.00)
Balance carried forward	15,489.00	31,306.00

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 31/3/2013 HK\$	As at 31/3/2012 HK\$
HSBC - HK Dollar - Current Account No.:-		
#808-620280-001	47,618.19	60,947.41
#808-620280-002	182,496.16	77,822.53
#808-620280-003	26,680.29	88,264.33
#808-620280-004	776.02	10.12
#808-620280-005	950.74	34,294.66
#808-620280-006	11,070.33	27,730.05
#808-620280-007	18,808.11	37,664.28
#808-620280-008	1,347,145.68	6,194.28
#808-620280-009	2,060.11	10,920.11
#817-429079-001	5,106.83	10,000.00
HSBC - HK Dollar - Saving Account No.:-		
#808-620298-292	774,463.69	774,450.19
#808-620280-292	91,164.86	469,616.61
#848-176319-838	220.00	220.00
Cash in hand	3,978.60	3,978.60
	2,512,539.61	1,602,113.17

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 12 Property, plant and equipment

	Leasehold Improvement HK\$	General Furniture, Fixtures and Equipment HK\$	Donated Furniture, Fixtures and Equipment HK\$	General Motor Vehicles HK\$	Total HK\$
At Cost					
As at 31st March 2012	1,311,996.80	1,662,395.55	20,726.00	-	2,995,118.35
Additions	-	153,850.00	-	285,500.00	439,350.00
Less : Written off	-	(265,335.00)	-	-	(265,335.00)
As at 31st March 2013	1,311,996.80	1,550,910.55	20,726.00 *	285,500.00	3,169,133.35
Less : Accumulated Depreciation					
As at 31st March 2012	1,212,528.96	1,397,499.78	20,502.57	-	2,630,531.31
Charge for the year	29,840.35	100,574.71	55.86	71,375.00	201,845.92
Less : Written back	-	(248,888.07)	-	-	(248,888.07)
As at 31st March 2013	1,242,369.31	1,249,186.42	20,558.43	71,375.00	2,583,489.16
Net Book Value					
As at 31st March 2013	69,627.49	301,724.13	167.57	214,125.00	585,644.19
As at 31st March 2012	99,467.84	264,895.77	223.43	-	364,587.04

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

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 13 Subvention income

	Year ended 31/3/2013	Year ended 31/3/2012
	HK\$	HK\$
Home Affairs Bureau Subvention	1,330,000.00	1,080,000.00
Community Chest	644,530.00	626,480.00
	<u>1,974,530.00</u>	<u>1,706,480.00</u>

Note 14 Surplus fund from flag day

	Year ended 31/3/2013	Year ended 31/3/2012
	HK\$	HK\$
Income		
Appeal letters	242,187.00	109,210.00
Flag day collection	234,562.60	249,978.20
	<u>476,749.60</u>	<u>359,188.20</u>
Less : Expenditure		
Audit fee	2,200.00	2,000.00
Cleaning and repair fees of flag bags	1,076.10	2,248.05
Certificate and souvenirs for helpers	4,317.45	5,619.45
Insurance	4,000.00	3,000.00
Printing and stationery	2,239.80	1,650.00
Postage	838.00	350.00
Sundry expenses	12,933.00	11,570.00
Transportation charges	6,788.00	2,356.42
	<u>34,392.35</u>	<u>28,793.92</u>
Surplus fund transfer to income and expenditure account	<u>442,357.25</u>	<u>330,394.28</u>

The Flag Day Appeal of Hong Kong Air Cadet Corps was held on 16th June 2012 and the above surplus fund account was audited on 22nd August 2012. The net proceeds from the flag day has been fully utilised during the financial year 2012 to 2013.

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 15 Surplus on trading account

	<u>Note</u>	<u>Year ended</u> <u>31/3/2013</u>	<u>Year ended</u> <u>31/3/2012</u>
		<u>HK\$</u>	<u>HK\$</u>
Sales		263,781.50	626,775.40
Less : Cost of goods sold			
Opening stock		1,210,614.17	606,339.43
Add : Purchase		158,407.12	966,530.34
		1,369,021.29	1,572,869.77
Less : Closing stock	(1e)	1,221,402.73	1,210,614.17
		147,618.56	362,255.60
• Surplus from trading account transfer to income and expenditure account		116,162.94	264,519.80

Note 16 Net deficits on various activities

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

	<u>Year ended</u> <u>31/3/2013</u>	<u>Year ended</u> <u>31/3/2012</u>
	<u>HK\$</u>	<u>HK\$</u>
Adult training	19,883.70	(7,526.24)
Advance aviation education programme (Fixed Wing)	(16,250.61)	484.32
Advance aviation education programme (Helicopter)	(107,654.56)	(16,398.86)
Adventure Activities squadron	16,787.86	20,754.58
Annual dinner	-	67,917.98
Annual parade	88,479.74	-
Beating retreat	6,177.34	-
Vocational Qualification Organisation	14,579.26	14,203.54
Dragonfly	-	(31,071.00)
Fund walk	(104,646.00)	(128,399.60)
Liaison unit activities	17,374.80	27,748.00
International air cadet exchange	333,234.73	391,413.40
International air cadet exchange association	46,257.44	52,880.58
Mainland and local activities	150.00	3,795.00
Other activities and courses	179,620.77	50,734.92
Scholarship for glider aviator training programme	75,816.00	133,604.24
Technical Operations Support Wing	(1,202.88)	76,113.73
Training activities	(3,735.58)	37,859.31
UK training team programme	-	14,234.00
	564,872.01	708,347.90

HONG KONG AIR CADET CORPS
NOTES TO FINANCIAL STATEMENTS

Note 17 Executive Board Members' remuneration

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

	Year ended 31/3/2013	Year ended 31/3/2012
	HK\$	HK\$
Fees	-	-
Other emoluments	-	-