

Report of The Director of Audit to The Legislative Council

I have audited the attached financial statements which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of the General Manager, Electrical and Mechanical Services Trading Fund and the Director of Audit

Under section 7(4) of the Trading Funds Ordinance (Cap. 430), the General Manager, Electrical and Mechanical Services Trading Fund is responsible for the submission of financial statements prepared in accordance with generally accepted accounting principles and signed by him to me. In preparing the financial statements, the General Manager, Electrical and Mechanical Services Trading Fund has to select appropriate accounting policies and to apply them consistently.

It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I certify that I have examined and audited the financial statements referred to above in accordance with section 7(5) of the Trading Funds Ordinance and the Audit Commission auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the General Manager, Electrical and Mechanical Services Trading Fund in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Electrical and Mechanical Services Trading Fund's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion the financial statements give a true and fair view of the state of affairs of the Electrical and Mechanical Services Trading Fund as at 31 March 2006 and of the results of its operations and cash flows for the year then ended and have been properly prepared in accordance with the manner provided in section 7(4) of the Trading Funds Ordinance.

(YING Kwok-wing)
Assistant Director of Audit
for Director of Audit

Audit Commission
Hong Kong
14 September 2006