Report of the Auditors
Auditors’ Report
To the Council of Hong Kong Baptist University

We have audited the accounts on pages 19 to 38 which have been prepared in accordance with accounting policies generally adopted by higher education institutions in Hong Kong.

Respective Responsibilities of the University and Auditors

The Council is responsible for preparing accounts which give a true and fair view on the basis of the accounting policies adopted. In preparing accounts of the University, it is fundamental that appropriate accounting policies are selected and applied consistently and that judgements and estimates are made which are prudent and reasonable.

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to the Council, as a body, in accordance with section 27 of Hong Kong Baptist University Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of Opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the accounts, and of whether the accounting policies are appropriate to the University’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.
In our opinion, the accounts have been properly prepared in accordance with accounting policies generally adopted by higher education institutions in Hong Kong and, on that basis, give a true and fair view of the state of the University’s affairs as at 30th June 2003 and of its results and cash flows for the year then ended.

KPMG
Certified Public Accountants
Hong Kong, 17th December 2003