



**ANNUAL REPORT**  
**THE POLICE CHILDREN'S EDUCATION TRUST**  
**THE POLICE EDUCATION AND WELFARE TRUST**  
**2015/2016**

二零一五／二零一六年度  
警察子女教育信託基金及  
警察教育及福利信託基金報告

**POLICE CHILDREN'S EDUCATION TRUST  
POLICE EDUCATION AND WELFARE TRUST  
ANNUAL REPORT 2015/2016**

**History**

A number of business organisations and members of the public donated a considerable sum of money in 1967 as a gesture of appreciation for the courage, tenacity and loyalty displayed by the Hong Kong Police Force during the civil disturbances. These donations were made at the suggestion of Mr Hans Ammann, a prominent local businessman, and were collected with the assistance of the then Department of Commerce and Industry. The money was used to establish the Police Children's Education Trust, of which the main object was to provide assistance in the education of the children of junior police officers at secondary and post-secondary levels.

2. Concurrently, the Hong Kong Jockey Club generously donated a sum of \$1 million to set up another Fund known as the Police Education and Welfare Trust with the object of providing welfare activities for all ranks of both the regular and auxiliary police forces and assisting in the education of their children.

3. Initially the Director of Commerce and Industry was the Trustee of both Funds assisted by a provisional Management Committee. On 29 November 1967, two Ordinances were enacted which established a legal basis for the administration of the Funds whereby the Commissioner of Police was appointed as the permanent Trustee of both Funds and two Management Committees were formed to assist in managing the Funds.

**Police Children's Education Trust**

4. Under the terms of the Police Children's Education Trust Ordinance (Cap. 1119), the Trustee is required to apply the funds of this Trust, on the advice of the Management Committee, to: -

- (a) provide assistance in, and facilities for, the higher education of the children of junior police officers; and

- (b) provide opportunities for the furtherance of their studies for any such children, who appear to the Committee to be deserving.

5. During the year ended 31 March 2016, the following members served on the Management Committee: -

The Chairman, appointed by the Chief Executive of the HKSAR –

Mr LEE Tze-hau, Michael, JP

Representative of the Commissioner of Police -

Mr CHAU Kwok-leung  
Director of Personnel & Training  
(until 10 May 2015)

Mr AU Chi-kwong, Sonny  
Director of Personnel & Training  
(11 May 2015 – 17 March 2016)

Ms CHIU Wai-yin, Winnie  
Director of Personnel & Training  
(from 18 March 2016)

Representative of the Permanent Secretary for Education -

Mr LEE Kam-kwong  
Principal Education Officer

A Police Welfare Officer, appointed by the Commissioner of Police -

Ms NG Suk-fun, Cecilia  
Chief Superintendent of Police  
Personnel Services & Staff Relations

Representative of junior police officers, appointed by the Chief Executive of the HKSAR -

Mr LEE Yung-nam  
Station Sergeant  
(until 30 June 2015)

Mr LIU Ching-tat  
Station Sergeant  
(from 1 July 2015)

The following members appointed by the Chief Executive of the HKSAR -

Ms CHOY Chi-ting, Eva  
(until 30 June 2015)

Professor LEE Wing-on, MH  
(until 30 June 2015)

Mr LEUNG Jerome Ty

Mrs MA LI Mun-wai, Julie  
(from 1 July 2015)

Mr MONG Tak-yeung, David

Ms WU Shuk-yin

Ms YAU Oi-yuen, Irene  
(from 1 July 2015)

6. During the year, the function of Secretary to the Committee was performed by: -

Ms WONG Man-wah, Yoki  
Executive Officer, Support Services 1,  
Personnel Services & Staff Relations  
(until 29 November 2015)

Mr LEE Hon-sum  
Executive Officer, Support Services 1,  
Personnel Services & Staff Relations (Acting)  
(30 November 2015 – 28 February 2016)

Mr TONG Woon-cheong, Arthur  
Executive Officer, Support Services 1,  
Personnel Services & Staff Relations  
(from 29 February 2016)

7. The Ordinance also made provision for the setting up of an Investment Advisory Board to advise on investment of the assets of the Trust. During the year under review, the Investment Advisory Board was chaired by: -

Mr TSANG Kwong-wing, Ernest

and its members comprised: -

Mr CHAN Wing-yau, George  
(until 30 June 2015)

Ms CHEW Sien M  
(until 30 June 2015)

Ms CHOY Chi-ting, Eva  
(from 1 July 2015)

Dr HU Zhang-hong  
(from 1 July 2015)

Mr TANG Hamilton Ty

Ms TSANG Wai-sze, Selina

8. The Treasurer of the Trust was the HSBC Trustee (Hong Kong) Limited and the Auditor was the Director of Audit.

9. At the time the Trust was established on 1 December 1967, the assets amounted to \$2.73M. By 31 March 2016, the value had risen to \$91.11M. Income for the year ended 31 March 2016 was \$25.45M whilst expenditure amounted to \$6.95M. Comparing to the surplus of \$2.99M in 2014/15, a surplus of \$18.50M was recorded for the year. It was mainly due to the increase in donation income.

10. During the year under review, the number of children of junior police officers awarded with scholarships, bursaries and grants were summarised as follows: -

Bursaries for degree students	267
Scholarships for degree (year one) students	44
Grants for children of Police officers under compassionate category	93
	<hr/>
Total :	<hr/> 404 <hr/>

## **Police Education and Welfare Trust**

11. The Police Education and Welfare Trust Ordinance (Cap. 1120) empowers the Management Committee to advise the Trustee on the application of the Fund with the following purposes: -

- (a) to provide assistance towards the general education of the children of all ranks of both regular and auxiliary police officers;
- (b) to provide such children, who appear to the Committee to be deserving, with the opportunities for further studies; and
- (c) for welfare purposes of general benefit to members of both the regular and the auxiliary police forces.

12. During the year, the Chairman of the Management Committee, appointed by the Chief Executive of the HKSAR, was

Mr LEE Tze-hau, Michael, JP

13. A representative of the Hong Kong Auxiliary Police Force also served on the Management Committee of the Police Education and Welfare Trust, in addition to those members serving in the Police Children's Education Trust Management Committee: -

Mr LEE Wai-to, Lewis  
(until 24 June 2015)

Dr LEUNG Sai-kwong, Johnny  
(from 25 June 2015)

14. The Investment Advisory Board of this Trust comprised the same members as the Investment Advisory Board of the Police Children's Education Trust.

15. The Secretary, the Treasurer and the Auditor were the same as for the Police Children's Education Trust.

16. For the year under review, the assets amounted to \$39.99M, a net increase of \$38.99M when compared with the original value of \$1M on 1 December 1967, the vesting day. Income for the year ended 31 March 2016 was \$3.95M whilst expenditure amounted to \$2.38M. There was a surplus of \$1.57M comparing to a surplus of \$7.07M in 2014/15. It was mainly due to the decrease in donation income.

17. Payments made from the Trust during the year included: -

Bursaries for children of Inspectorate rank Police Officers who were studying courses at tertiary levels	45
Scholarships for children of Inspectorate rank Police Officers or above	14
Medical Scholarship for Year One Medical Student	1
Grants for children of Police Officers under compassionate category	11
Grants for disabled children	141
Total :	<u>212</u>

### **Audited Statements of Accounts**

18. Audited statements of account for both Trusts prepared by the Treasurer, the HSBC Trustee (Hong Kong) Limited are attached at Appendices I(a) and I(b). The list of investments of the two Trusts as at 31 March 2016 is attached at Appendix II.

## Appreciation

19. Service on the Investment Advisory Board places demands upon the time of their members and I wish to thank the Chairman and their members for the amount of care and attention which they have given to the investment of the Trusts. I would also like to thank the Treasurer, the HSBC Trustee (Hong Kong) Limited and the Auditor, the Director of Audit who have provided their professional services to the two Trusts for the period under review.

20. I cannot conclude without expressing my sincere gratitude to the Chairman and Members of the Management Committees of the Trusts for their invaluable assistance, particularly for their efforts in ensuring that the Trusts' funds are allocated in a meaningful and equitable manner.

( LO Wai-chung )  
Commissioner of Police  
Trustee  
Police Children's Education Trust  
Police Education and Welfare Trust

1 December 2016



# 警察子女教育信託基金 警察教育及福利信託基金 2015/2016 年度周年報告

## 歷史

1967 年騷動期間，香港警隊忠心耿耿，表現英勇及不屈不撓。當時本地著名商人安曼先生發起捐款，以感謝警隊的努力，公眾人士及不少商業機構紛紛響應，工商署協助收集為數不少的捐款。款項用作成立警察子女教育信託基金，主要目的是協助初級警務人員子女升讀中學及專上學院。

2. 同時，香港賽馬會亦慷慨捐出 100 萬元，設立警察教育及福利信託基金，為警隊各級正規和輔警人員提供福利活動，以及就他們子女的教育事宜給予援助。

3. 最初，工商署署長為兩個信託基金的信託人，並由一個臨時管理委員會協助。於 1967 年 11 月 29 日，政府制定兩條法例，奠定了管理兩個基金的法律基礎，並委任警務處處長為兩個基金的信託人，以及組成兩個管理委員會協助管理基金。

## 警察子女教育信託基金

4. 根據香港法例第 1119 章警察子女教育信託基金條例的條款，信託人必須依照管理委員會的意見，運用信託基金的款項作以下用途：-

- (a) 提供援助及設施給初級警務人員子女接受高等教育；以及

(b) 向委員會認為值得幫助的警察子女，提供深造機會。

5. 在截至 2016 年 3 月 31 日的年度內，下列人士擔任管理委員會委員：

主席由香港特別行政區行政長官委任：

利子厚先生，JP

警務處處長代表：

人事及訓練處處長周國良先生  
(至 2015 年 5 月 10 日)

人事及訓練處處長區志光先生  
(2015 年 5 月 11 日至 2016 年 3 月 17 日)

人事及訓練處處長趙慧賢女士  
(由 2016 年 3 月 18 日起)

教育局常任秘書長代表：

首席教育主任李錦光先生

警務處處長委任的一名警察福利主任：

總警司 (人事服務及職員關係)  
吳淑芬女士

香港特別行政區行政長官委任的初級警務人員代表：

警署警長李勇南先生  
(至 2015 年 6 月 30 日)

警署警長廖政達先生  
(由 2015 年 7 月 1 日起)

下列委員由香港特別行政區行政長官委任：

蔡志婷女士  
(至 2015 年 6 月 30 日)

李榮安教授，MH  
(至 2015 年 6 月 30 日)

梁振志先生

馬李敏慧女士  
(由 2015 年 7 月 1 日起)

蒙德揚先生

鄔淑賢女士

邱藹源女士  
(由 2015 年 7 月 1 日起)

6. 年內，下列人士擔任委員會秘書一職：

行政主任(支援服務)1(人事服務及職員關係)  
王敏華女士  
(至 2015 年 11 月 29 日)

行政主任(支援服務)1(人事服務及職員關係)  
(署任)  
李漢深先生  
(2015 年 11 月 30 日至 2016 年 2 月 28 日)

行政主任(支援服務)1(人事服務及職員關係)  
湯煥昌先生  
(由 2016 年 2 月 29 日起)

7. 本條例亦制訂條文，設立一個投資諮詢委員會，就基金資產的投資事宜提供意見。在本報告年度，投資諮詢委員會主席為：

曾廣榮先生

委員包括：

陳永祐先生  
(至 2015 年 6 月 30 日)

趙善敏女士  
(至 2015 年 6 月 30 日)

蔡志婷女士  
(由 2015 年 7 月 1 日起)

胡章宏博士  
(由 2015 年 7 月 1 日起)

唐維鐘先生

曾慧詩女士

8. 信託基金的司庫為滙豐信託(香港)有限公司，核數師為審計署署長。

9. 信託基金於 1967 年 12 月 1 日成立時，資產值為 273 萬元。截至 2016 年 3 月 31 日止，資產淨值上升至 9,111 萬元。截至 2016 年 3 月 31 日的年度內，收入為 2,545 萬元，而支出共 695 萬元。比較 2014/15

年度有盈餘 299 萬元，本年度錄得盈餘 1,850 萬元。  
主要原因是由於捐款收入增加。

10. 在本報告年度，獲發放獎學金、助學金及補助金的學生人數如下：-

學位課程助學金	267 名
大一學位獎學金	44 名
恩恤補助金	93 名
	<hr/>
總人數：	共 404 名

### 警察教育及福利信託基金

11. 香港法例第 1120 章警察教育及福利信託基金條例授權管理委員會，建議信託人根據以下目的運用基金：

- (a) 就各級正規及輔警人員的子女一般教育事宜，提供援助；
- (b) 向委員會認為值得幫助的警察子女，提供深造機會；以及
- (c) 為正規及輔警人員提供一般福利。

12. 年內，香港特別行政區行政長官委任的管理委員會主席為：

利子厚先生，JP

13. 警察教育及福利信託基金管理委員會的成員，除同時擔任警察子女教育信託管理委員會的委員外，還

有香港輔助警察隊的一名代表：

李偉桃先生  
(至 2015 年 6 月 24 日)

梁世光博士  
(由 2015 年 6 月 25 日起)

14. 本信託基金的投資諮詢委員會成員與警察子女教育信託基金投資諮詢委員會的相同。

15. 秘書、司庫及核數師亦與警察子女教育信託基金相同。

16. 在本報告年度，信託基金的資產淨值為 3,999 萬元，與 1967 年 12 月 1 日歸屬日期的原本價值 100 萬元相比，增加淨額達 3,899 萬元。截至 2016 年 3 月 31 日的年度內，信託基金的收入為 395 萬元，支出為 238 萬元，比較 2014/15 年度的盈餘 707 萬元，本年度共有盈餘 157 萬元。主要原因是由於捐款收入減少。

17. 年內，信託基金撥出的款項包括：

督察級子女大專助學金	45 名
督察級及以上警察子女獎學金	14 名
醫科學生(大學一年級)獎學金	1 名
恩恤補助金	11 名
傷殘子女補助金	141 名
總人數：	<u>共 212 名</u>

## 經審計的帳目報表

18. 兩個信託基金經審計的帳目報表均由司庫滙豐信託(香港)有限公司擬備，現載於附件I(甲)及 I(乙)。兩個信託基金截至 2016 年 3 月 31 日止的投資清單載於附件 II。

## 感謝

19. 投資諮詢委員會委員付出不少寶貴時間參予會務，本人謹多謝主席及各委員致力處理兩個信託基金的投資事宜。本人亦藉此機會多謝司庫滙豐信託(香港)有限公司及核數師審計署署長在此段期間所提供的專業服務。

20. 最後，我必須衷心多謝兩個信託基金管理委員會主席及各委員的寶貴貢獻，特別是他們設法確保信託基金的款項得以善用和公平分配。

警察子女教育信託基金  
警察教育及福利信託基金  
信託人  
警務處處長盧偉聰

2016 年 12 月 1 日

# Police Children's Education Trust

Financial statements for the year ended 31 March 2016



# ***Report of the Director of Audit***



**Audit Commission**

**The Government of the Hong Kong Special Administrative Region**

## **Independent Audit Report**

### **To the Legislative Council**

I certify that I have audited the financial statements of the Police Children's Education Trust set out on pages 3 to 19, which comprise the balance sheet as at 31 March 2016, and the income and expenditure account, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Commissioner of Police's Responsibility for the Financial Statements**

The Commissioner of Police is responsible for the preparation of financial statements that give a true and fair view in accordance with section 10(1) of the Police Children's Education Trust Ordinance (Cap. 1119) and Hong Kong Financial Reporting Standards, and for such internal control as the Commissioner of Police determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with section 10(2) of the Police Children's Education Trust Ordinance and the Audit Commission auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 Commissioner of Police, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements give a true and fair view of the financial position of the Police Children's Education Trust as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with section 10(1) of the Police Children's Education Trust Ordinance.



TEO Wing-on  
Principal Auditor  
for Director of Audit

1 December 2016

Audit Commission  
26th Floor  
Immigration Tower  
7 Gloucester Road  
Wanchai, Hong Kong

**POLICE CHILDREN'S EDUCATION TRUST**

**BALANCE SHEET AS AT 31 MARCH 2016**

	<b>Note</b>	<b>2016 HK\$</b>	<b>2015 HK\$</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Available-for-sale investments	3	32,907,858	41,789,246
		-----	-----
<b>Current assets</b>			
Available-for-sale investments	3	8,353,961	4,736,732
Held-to-maturity investments	4	21,189,540	23,359,937
Account receivables		515,690	509,935
Cash and cash equivalents	5	32,542,383	7,088,709
		-----	-----
		62,601,574	35,695,313
<b>Current liabilities</b>			
Account payables		(4,400,340)	(3,472)
		-----	-----
<b>Net current assets</b>		58,201,234	35,691,841
		-----	-----
<b>NET ASSETS</b>		91,109,092	77,481,087
		=====	=====
<b>EQUITY</b>			
<b>Trust fund account</b>	6	92,623,189	74,126,991
<b>Fair value reserve</b>		(1,514,097)	3,354,096
		-----	-----
<b>TOTAL EQUITY</b>		91,109,092	77,481,087
		=====	=====

The accompanying notes 1 to 10 form part of these financial statements.

( LO Wai-chung )  
Commissioner of Police  
1 December 2016

**POLICE CHILDREN'S EDUCATION TRUST**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 HK\$	2015 HK\$
<b>INCOME</b>			
Donations		22,966,882	5,033,196
Interest income	7	1,911,860	1,650,861
Dividend income		570,905	667,590
Gain on disposal of investments		-	1,287,652
		<u>25,449,647</u>	<u>8,639,299</u>
		-----	-----
		-	
<b>EXPENDITURE</b>			
Bursaries	8	(4,396,715)	(3,848,175)
Treasurer's remuneration		(42,000)	(42,000)
Loss on disposal of investments		(52,549)	-
Sundry expenses		(64,762)	(61,644)
Net exchange loss		(2,397,423)	(1,698,668)
		<u>(6,953,449)</u>	<u>(5,650,487)</u>
		-----	-----
<b>SURPLUS FOR THE YEAR</b>		<u>18,496,198</u>	<u>2,988,812</u>
		=====	=====

The accompanying notes 1 to 10 form part of these financial statements.

**POLICE CHILDREN'S EDUCATION TRUST**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>2016 HK\$</b>	<b>2015 HK\$</b>
<b>SURPLUS FOR THE YEAR</b>	18,496,198 -----	2,988,812 -----
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that may be reclassified subsequently to surplus or deficit:		
Available-for-sale investments		
Net (losses)/gains on revaluation	(3,620,367)	3,303,822
Reclassification adjustments released from fair value reserve upon disposal	(1,247,826)	(662,976)
	<u>(4,868,193)</u> -----	<u>2,640,846</u> -----
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	13,628,005 =====	5,629,658 =====

The accompanying notes 1 to 10 form part of these financial statements.

**POLICE CHILDREN'S EDUCATION TRUST**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Trust fund account HK\$</b>	<b>Fair value reserve HK\$</b>	<b>Total HK\$</b>
Balance at 1 April 2014	71,138,179	713,250	71,851,429
Total comprehensive income for 2014-15	2,988,812	2,640,846	5,629,658
Balance at 31 March 2015	<u>74,126,991</u>	<u>3,354,096</u>	<u>77,481,087</u>
Total comprehensive income/(loss) for 2015-16	18,496,198	(4,868,193)	13,628,005
Balance at 31 March 2016	<u>92,623,189</u> =====	<u>(1,514,097)</u> =====	<u>91,109,092</u> =====

The accompanying notes 1 to 10 form part of these financial statements.

**POLICE CHILDREN'S EDUCATION TRUST**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Note</b>	<b>2016 HK\$</b>	<b>2015 HK\$</b>
Cash flows from operating activities			
Surplus for the year		18,496,198	2,988,812
Adjustments for:			
Interest income		(1,911,860)	(1,650,861)
Dividend income		(570,905)	(667,590)
Loss/(gain) on disposal of investments		52,549	(1,287,652)
Exchange differences		2,213,261	1,508,011
Increase in account payables		4,396,868	155
Decrease in account receivables		48,722	29,390
Net cash from operating activities		<u>22,724,833</u>	<u>920,265</u>
Cash flows from investing activities			
Purchase of investments		(41,798,173)	(29,660,827)
Proceeds from disposal/redemption of investments		42,389,253	28,914,633
Interest received		1,614,126	1,588,584
Dividends received		570,905	667,590
Net cash from investing activities		<u>2,776,111</u>	<u>1,509,980</u>
Net increase in cash and cash equivalents		25,500,944	2,430,245
Cash and cash equivalents at beginning of year		7,088,709	4,646,052
Effect of exchange rate changes on cash and cash equivalents		(47,270)	12,412
Cash and cash equivalents at end of year	5	<u><u>32,542,383</u></u>	<u><u>7,088,709</u></u>

The accompanying notes 1 to 10 form part of these financial statements.

## **POLICE CHILDREN'S EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1 STATUS OF POLICE CHILDREN'S EDUCATION TRUST ("THE TRUST")**

The Trust was established in 1967 under the Police Children's Education Trust Ordinance (Cap.1119) for the purpose of providing assistance in, and facilities for, the higher education of the children of junior police officers of the Hong Kong Police Force.

#### **2 SIGNIFICANT ACCOUNTING POLICIES**

(a) Statement of compliance

The financial statements have been prepared in accordance with section 10(1) of the Police Children's Education Trust Ordinance and all applicable Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants.

(b) Basis of preparation

The financial statements have been prepared on an accrual basis and under the historical cost convention except that available-for-sale investments are stated at fair value as explained in note 2(d) below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgements involved in the application of the Trust's accounting policies. There are neither key assumptions concerning the future nor other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next year.



## **POLICE CHILDREN'S EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Adoption of new/revised HKFRSs**

The Trust has adopted all new/revised HKFRSs which are effective and relevant to the Trust for the current accounting period.

The Trust has not early adopted any amendments, new standards and interpretations which are not yet effective for the current accounting period. The Trust is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial adoption. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Trust's result of operations and financial position.

**(d) Investments in debt and equity securities**

Investments in debt and equity securities, being those held for non-trading purposes, are classified as available-for-sale investments and are initially recognised at fair value plus transaction costs. They are included in non-current assets unless the Trust intends to dispose of the investment within 12 months of the balance sheet date. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in the fair value reserve, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses which are recognised directly in the income and expenditure account. When these investments are sold, the difference between the net sales proceeds and the carrying value is included in the income and expenditure account, and the cumulative gain or loss previously recognised in the fair value reserve is removed and recognised in the income and expenditure account. Purchases and sales of investments are recognised using trade date accounting. The investments are priced at current bid prices.

When available-for-sale investments are impaired, the cumulative loss that had been recognised in the fair value reserve is removed from the fair value reserve and is recognised in the income and expenditure account. The amount of the cumulative loss that is recognised in the income and expenditure account is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income and expenditure account.

## **POLICE CHILDREN'S EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Impairment losses recognised in the income and expenditure account in respect of available-for-sale equity securities are not reversed through the income and expenditure account. Any subsequent increase in the fair value of such assets is recognised directly in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the income and expenditure account.

(e) Investments in certificates of deposits

Investments in certificates of deposits are classified as held-to-maturity investments. They are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset.

Investments in certificates of deposits are included in non-current assets, except for those with maturities less than 12 months from the balance sheet date, which are classified as current assets. Purchases and sales of investments are recognised using trade date accounting.

(f) Account receivables

Receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

## **POLICE CHILDREN'S EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(h) Account payables

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(i) Income

(i) Donation income is recognised once cash is received and the approval for acceptance is obtained.

(ii) Dividend income from listed investments is recognised when the Trust's right to receive payment is established.

(iii) Interest incomes from available-for-sale investments, held-to-maturity investments and deposits with banks are recognised as they accrue using the effective interest method.

(j) Bursaries

Provision for bursaries is made on the basis of bursaries authorised by the Management Committee of the Trust during the year.

(k) 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 denominated in foreign currencies are translated into Hong Kong dollars at the market rates of exchange ruling at the balance sheet date. Exchange gains and losses are dealt with in the income and expenditure account.

**POLICE CHILDREN'S EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3 AVAILABLE-FOR-SALE INVESTMENTS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Debt securities, at fair value		
- listed in Hong Kong	8,353,961	10,174,943
- listed outside Hong Kong	13,191,768	16,655,387
	<u>21,545,729</u>	<u>26,830,330</u>
Equity securities, at fair value		
- listed in Hong Kong	19,716,090	19,695,648
	<u>41,261,819</u>	<u>46,525,978</u>
	=====	=====
Classified as:		
- Non-current assets	32,907,858	41,789,246
- Current assets	8,353,961	4,736,732
	<u>41,261,819</u>	<u>46,525,978</u>
	=====	=====

**4 HELD-TO-MATURITY INVESTMENTS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Certificates of deposits, at amortised cost	<u>21,189,540</u>	<u>23,359,937</u>
	=====	=====

**5 CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Bank deposits with original maturities up to three months	-	1,089,834
Call deposits	32,477,233	5,958,156
Cash at banks	65,150	40,719
Cash and cash equivalents	<u>32,542,383</u>	<u>7,088,709</u>
	=====	=====

Cash and cash equivalents include the following amounts denominated in a currency other than the Trust's functional currency.

**POLICE CHILDREN'S EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5 CASH AND CASH EQUIVALENTS (CONTINUED)**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
United States Dollars:		
USD65,970 (2015: USD67,848)	511,517	526,158
Renminbi:		
CNY944,581 (2015: CNY3,173,097)	1,132,836	3,964,438
Australian Dollars:		
NIL (2015: AUD183,659)	-	1,089,834
	<u>1,644,353</u>	<u>5,580,430</u>
	=====	=====

**6 TRUST FUND ACCOUNT**

Of the trust fund balance at 31 March 2016, HK\$2,479,580 (2015: HK\$2,668,272) is related to donations from the Hong Kong Jockey Club Charities Trust and income generated therefrom, less bursary payments. The donation is for designated purposes.

**7 INTEREST INCOME**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Interest income from bank deposits	47,560	110,391
Interest income from held-to-maturity investments	1,047,251	511,951
Interest income from available-for-sale investments	817,049	1,028,519
	<u>1,911,860</u>	<u>1,650,861</u>
	=====	=====

**8 BURSARIES**

The bursaries include tuition fees and book grants for the higher education of the children of junior police officers of the Hong Kong Police Force.

# POLICE CHILDREN'S EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9 FINANCIAL RISK MANAGEMENT

Financial assets of the Trust include available-for-sale investments, held-to-maturity investments, deposits with banks, account receivables and cash and cash equivalents. Financial liabilities of the Trust include account payables. The Trust did not enter into any foreign exchange contracts, interest rate swaps or other financial instruments during the year. The major risks associated with the Trust's financial instruments are set out below.

#### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

To minimise credit risks arising from bank deposits, all deposits are placed with reputable licensed banks in Hong Kong. To minimise credit risks arising from available-for-sale investments and held-to-maturity investments, only those classified under the investment grade by Moody's or Standard & Poor's are considered. At the balance sheet date, the credit quality of investments in debt securities, analysed by the lower of ratings designated by Moody's or Standard & Poor's, was as follows:

	2016 HK\$	2015 HK\$
Certificates of deposits by credit rating		
P-1 / A-1+ to A-1	21,189,540	9,616,636
P-2 / A-2	-	13,743,301
	<u>21,189,540</u>	<u>23,359,937</u>
	=====	=====
Other debt securities by credit rating		
Aa1 to Aa3 / AA+ to AA-	1,520,163	4,679,468
A1 to A3 / A+ to A-	14,085,459	20,932,094
Baa1 to Baa3 / BBB+ to BBB-	5,940,107	1,218,768
	<u>21,545,729</u>	<u>26,830,330</u>
	=====	=====

The Trust's maximum exposure to credit risk at the balance sheet date in relation to each class of financial assets is the carrying amount of those assets as stated in the balance sheet. For other receivables, the Trust considers that adequate provision has been made, where necessary, for amounts which are expected to be irrecoverable at the balance sheet date.

## **POLICE CHILDREN'S EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **9 FINANCIAL RISK MANAGEMENT (CONTINUED)**

(b) Liquidity risk

The Trust regularly monitors its current and future funding requirements. The Trust maintains sufficient reserves of cash and obtains adequate funding to meet its liquidity requirements in the short and longer term.

(c) Interest rate risk

(i) Exposure to interest rate risk

Interest rate risk refers to the risk of loss arising from changes in market interest rates. This can be further classified into fair value interest rate risk and cash flow interest rate risk.

Fair value interest rate risk is the risk that the fair value of financial instruments will fluctuate because of changes in market interest rates. Investments in debt securities are made in accordance with a documented risk management or investment strategy, and the Trust monitors the fair value interest rate risk on a continuous basis. Since the Trust's debt securities and time deposits with banks bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as held-to-maturity certificates of deposits and time deposits with banks are all stated at amortised cost, their carrying amounts will not be affected by changes in market interest rates.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is not exposed to material cash flow interest rate risk because interest income from financial instruments bearing interest at a floating rate is not significant.

(ii) Sensitivity analysis

It was estimated that, as at 31 March 2016, a general increase of 50 basis points (2015: 50 basis points) in interest rates, with all other variables held constant, would decrease other comprehensive income and the balance of the Trust's fair value reserve by about HK\$147,000 (2015: HK\$252,000) and a general decrease of 50 basis points (2015: 50 basis points) would increase other comprehensive income and the fair value reserve by about HK\$152,000 (2015: HK\$256,000).

## **POLICE CHILDREN'S EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **9 FINANCIAL RISK MANAGEMENT (CONTINUED)**

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the interest-bearing available-for-sale investments in existence at that date. The 50 basis points increase or decrease represents the Trust's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2015.

(d) Equity price risk

Equity price risk is the risk of loss arising from changes in equity prices. The Trust is exposed to equity price risk arising from its investment in equity securities (see note 3). To manage the risk, the Investment Advisory Board regularly reviews the investment portfolio and the investment guidelines for monitoring the investment activities of the Trust.

If the market price of the equity security had been 10% (2015: 20%) higher/lower, other comprehensive income and the balance of the fair value reserve at the balance sheet date would increase/decrease by about HK\$1,972,000 (2015: HK\$3,939,000) as a result of changes in fair value. The sensitivity analysis was based on the carrying amount of the equity security held by the Trust at the balance sheet date and all other variables were held constant.

(e) Foreign currency risk

(i) Exposure to foreign currency risk

At the balance sheet date, the Trust maintains net financial assets denominated in United States dollars, Renminbi and Australian dollars, as follows.



**POLICE CHILDREN'S EDUCATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 FINANCIAL RISK MANAGEMENT (CONTINUED)**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
United States Dollars:		
USD65,971		
(2015: USD67,849)	511,522	526,163
Renminbi:		
CNY24,132,599		
(2015: CNY34,481,907)	28,942,216	43,081,381
Australian Dollars:		
AUD1,249,423		
(2015: AUD1,460,248)	7,431,293	8,665,133
	<u>36,885,031</u>	<u>52,272,677</u>
	=====	=====

As Hong Kong dollar is pegged to the United States dollar within a narrow range, it is considered that the Trust had no significant exposure to foreign exchange risk relating to this foreign currency. Since no foreign currency rate hedging is made by the Trust for Renminbi and Australian dollar, the carrying amounts of these financial assets represent the maximum exposure of the Trust to foreign currency risk.

(ii) Sensitivity analysis

It was estimated that, as at the balance sheet date, should the Renminbi and Australian dollar strengthen/weaken by 5% (2015: 5%) against the Hong Kong dollar, with all other variables held constant, the Trust's surplus for the year would increase/decrease by approximately HK\$1,820,000 (2015: HK\$2,593,000).

(f) Fair value hierarchy of financial instruments

The following table presents the carrying values of financial instruments measured at fair value at the balance sheet date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement.

**POLICE CHILDREN'S EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 FINANCIAL RISK MANAGEMENT (CONTINUED)**

	<b>Level 1 HK\$</b>	<b>2016 Level 2 HK\$</b>	<b>Total HK\$</b>
Available-for-sale investments:			
Equity securities – listed	19,716,090	-	19,716,090
Debt securities – listed	21,545,729	-	21,545,729
	<u>41,261,819</u>	<u>-</u>	<u>41,261,819</u>

	<b>Level 1 HK\$</b>	<b>2015 Level 2 HK\$</b>	<b>Total HK\$</b>
Available-for-sale investments:			
Equity securities – listed	19,695,648	-	19,695,648
Debt securities – listed	26,830,330	-	26,830,330
	<u>46,525,978</u>	<u>-</u>	<u>46,525,978</u>

During the year, there were no transfers between instruments in Level 1 and Level 2.

The three levels of the fair value hierarchy are:

Level 1: fair values measured using only unadjusted quoted prices in active markets for identical financial instruments at the measurement date;

Level 2: fair value measured using observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and

Level 3: fair values measured using significant unobservable inputs.

## **POLICE CHILDREN'S EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **9 FINANCIAL RISK MANAGEMENT (CONTINUED)**

- (g) Fair values of financial assets and liabilities

All financial assets and liabilities are stated in the balance sheet at amounts equal to or not materially different from their fair values.

#### **10 CAPITAL MANAGEMENT**

The capital structure of the Trust consists of the Trust fund account and the Fair value reserve. The Trust's objectives when managing capital are:

- (a) to comply with the Police Children's Education Trust Ordinance; and
- (b) to maintain a strong capital base for carrying out the purpose of the Trust as stated in note 1 above.

The Trust monitors capital by reviewing its level to ensure that it is sufficient to fund future bursaries and expenditure, taking into account projected cash flow requirements, future financial obligations and commitments.

## 警察子女教育信託基金

截至 2016 年 3 月 31 日止年度的財務報表

# 審計署署長報告



香港特別行政區政府  
審計署

## 獨立審計報告

### 致立法會

茲證明我已審計列載於第3至19頁警察子女教育信託基金的財務報表，該等財務報表包括於2016年3月31日的資產負債表與截至該日止年度的收支帳目、全面收益表、權益變動表和現金流量表，以及主要會計政策概要及其他附註解釋資料。

### 警務處處長就財務報表須承擔的責任

警務處處長須負責按照《警察子女教育信託基金條例》(第1119章)第10(1)條及《香港財務報告準則》擬備真實而公平的財務報表，及落實其認為必要的內部控制，以使財務報表不存有由於欺詐或錯誤而導致的重大錯誤陳述。

### 審計師的責任

我的責任是根據我的審計對該等財務報表作出意見。我已按照《警察子女教育信託基金條例》第10(2)條及審計署的審計準則進行審計。這些準則要求我遵守道德規範，並規劃及執行審計，以合理確定財務報表是否不存有任何重大錯誤陳述。

審計涉及執行情序以獲取有關財務報表所載金額及披露資料的

審計憑證。所選定的程序取決於審計師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，審計師考慮與該基金擬備真實而公平地列報財務報表有關的內部控制，以設計適當的審計程序，但並非為對基金的內部控制的效能發表意見。審計亦包括評價警務處處長所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我相信，我所獲得的審計憑證是充足和適當地為我的審計意見提供基礎。

## 意見

我認為，該等財務報表已根據《香港財務報告準則》真實而公平地反映警察子女教育信託基金於2016年3月31日的財務狀況及截至該日止年度的財務表現及現金流量，並已按照《警察子女教育信託基金條例》第10(1)條妥為擬備。

審計署署長

(審計署首席審計師張永安代行)

2016年12月1日

審計署

香港灣仔

告士打道7號

入境事務大樓26樓

# 警察子女教育信託基金

## 於二零一六年三月三十一日的資產負債表

	附註	2016 港元	2015 港元
<b>資產</b>			
<b>非流動資產</b>			
可供出售投資	3	32,907,858	41,789,246
		-----	-----
<b>流動資產</b>			
可供出售投資	3	8,353,961	4,736,732
持有至到期投資	4	21,189,540	23,359,937
應收帳款		515,690	509,935
現金及等同現金項目	5	32,542,383	7,088,709
		-----	-----
		62,601,574	35,695,313
<b>流動負債</b>			
應付帳款		(4,400,340)	(3,472)
		-----	-----
<b>流動資產淨值</b>		58,201,234	35,691,841
		-----	-----
<b>資產淨值</b>		91,109,092	77,481,087
		=====	=====
<b>權益</b>			
信託基金帳戶	6	92,623,189	74,126,991
<b>公平值儲備</b>		(1,514,097)	3,354,096
		-----	-----
<b>權益總額</b>		91,109,092	77,481,087
		=====	=====

隨附附註 1 至 10 為本財務報表的一部分。

警務處處長盧偉聰  
二零一六年十二月一日

# 警察子女教育信託基金

## 截至二零一六年三月三十一日止年度收支帳目

	附註	2016 港元	2015 港元
收入			
捐款		22,966,882	5,033,196
利息收入	7	1,911,860	1,650,861
股息收入		570,905	667,590
出售投資的收益		-	1,287,652
		<u>25,449,647</u>	<u>8,639,299</u>
		-----	-----
支出			
助學金	8	(4,396,715)	(3,848,175)
司庫酬金		(42,000)	(42,000)
出售投資的虧損		(52,549)	-
雜項支出		(64,762)	(61,644)
匯兌虧損淨額		(2,397,423)	(1,698,668)
		<u>(6,953,449)</u>	<u>(5,650,487)</u>
		=====	=====
本年度盈餘		18,496,198	2,988,812
		=====	=====

隨附附註 1 至 10 為本財務報表的一部分。



## 警察子女教育信託基金

### 截至二零一六年三月三十一日止年度全面收益表

	2016 港元	2015 港元
年度盈餘	18,496,198	2,988,812
	-----	-----
其他全面收益		
將來或會重新分類為盈餘或虧絀的項目：		
可供出售投資		
價值重估淨(虧損)/收益	(3,620,367)	3,303,822
出售時從公平值儲備		
回撥的重新分類調整	(1,247,826)	(662,976)
	<u>(4,868,193)</u>	<u>2,640,846</u>
	-----	-----
年度全面收益總額	13,628,005	5,629,658
	=====	=====

隨附附註 1 至 10 為本財務報表的一部分。

## 警察子女教育信託基金

### 截至二零一六年三月三十一日止年度權益變動表

	信託基金 帳戶 港元	公平值 儲備 港元	總額 港元
2014 年 4 月 1 日的結餘	71,138,179	713,250	71,851,429
2014-15 年度全面收益總額	2,988,812	2,640,846	5,629,658
2015 年 3 月 31 日的結餘	<u>74,126,991</u>	<u>3,354,096</u>	<u>77,481,087</u>
2015-16 年度全面收益／(虧損) 總額	18,496,198	(4,868,193)	13,628,005
2016 年 3 月 31 日的結餘	<u>92,623,189</u> =====	<u>(1,514,097)</u> =====	<u>91,109,092</u> =====

隨附附註 1 至 10 為本財務報表的一部分。

# 警察子女教育信託基金

## 截至二零一六年三月三十一日止年度現金流量表

	附註	2016 港元	2015 港元
營運活動的現金流量			
本年度盈餘		18,496,198	2,988,812
調整項目：			
利息收入		(1,911,860)	(1,650,861)
股息收入		(570,905)	(667,590)
出售投資的虧損／(收益)		52,549	(1,287,652)
匯兌差額		2,213,261	1,508,011
應付帳款增加		4,396,868	155
應收帳款減少		48,722	29,390
營運活動所得的現金淨額		<u>22,724,833</u>	<u>920,265</u>
		-----	-----
投資活動的現金流量			
購入投資付款		(41,798,173)	(29,660,827)
出售／贖回投資的收款		42,389,253	28,914,633
已收利息		1,614,126	1,588,584
已收股息		570,905	667,590
投資活動所得的現金淨額		<u>2,776,111</u>	<u>1,509,980</u>
		-----	-----
現金及等同現金項目增加淨額		25,500,944	2,430,245
年初的現金及等同現金項目		7,088,709	4,646,052
匯率變動對現金及等同現金項目的影響		(47,270)	12,412
年終的現金及等同現金項目	5	<u>32,542,383</u>	<u>7,088,709</u>
		=====	=====

隨附附註 1 至 10 為本財務報表的一部分。

# 警察子女教育信託基金

## 財務報表附註

### 1 警察子女教育信託基金(「信託基金」)的一般資料

信託基金在一九六七年根據《警察子女教育信託基金條例》(第 1119 章)成立，目的是就香港警務處初級警務人員子女的高等教育提供協助及設施。

### 2 主要會計政策

#### (a) 符合準則聲明

本財務報表是根據《警察子女教育信託基金條例》第 10(1) 條及香港會計師公會頒布的《香港財務報告準則》的所有適用規定擬備。

#### (b) 擬備基準

本財務報表是按應計記帳方式及歷史成本法擬備，但可供出售投資是按公平值入帳，下文附註 2(d) 作出解釋。

擬備符合《香港財務報告準則》的財務報表需要管理層作出判斷、估計及假設，而有關判斷、估計及假設會影響會計政策的採納及資產、負債、收入及支出的呈報總額。此等估計及相關的假設是根據以往經驗及其他在有關情況下認為合適的因素而制定。在欠缺其他現成數據的情況下，則採用此等估計及假設作為判斷有關資產及負債的帳面值的基礎，估計結果與實際價值或有不同。

此等估計及相關假設會不斷檢討修訂。如修訂只影響該會計期，會在作出修訂的期內確認，但如影響該期及未來的會計期，有關修訂便會在該期及未來期間內確認。

信託基金在採納會計政策方面並不涉及任何關鍵的會計判斷。無論現時對未來作出的假設，或在結算日估計過程中所存在的不明朗因素，皆不足以構成重大風險，導致資產和負債的帳面金額在來年大幅修訂。

# 警察子女教育信託基金

## 財務報表附註(續)

### 2 主要會計政策(續)

#### (c) 採納新訂/經修訂《香港財務報告準則》

信託基金已採用所有在現屆會計期生效和與信託基金相關的新訂／經修訂《香港財務報告準則》。

信託基金並無提早採用任何現屆會計期仍未生效的修訂、新準則和詮釋。信託基金正就這些修訂、新準則和詮釋在首次採用期間預期會產生的影響進行評估。直至目前為止，信託基金得出的結論為採納該等修訂、新準則和詮釋，不大可能會對信託基金的營運結果及財政狀況構成重大影響。

#### (d) 債務和股本證券投資

非持作買賣用途的債務和股本證券投資歸類為可供出售投資，並以公平值加上交易成本後初始確認。有關投資列入非流動資產，除非信託基金擬在結算日後的 12 個月內出售有關投資，則作別論。信託基金會在每個結算日重新計量公平值，由此產生的任何收益或虧損均在其他全面收益中確認及分別在公平值儲備中累計，但減值虧損和貨幣項目(如債務證券)的匯兌收益與虧損則直接在收支帳目中確認。出售這些投資時，出售投資收款淨額與其帳面值的差額會列入收支帳目中，而以往在公平值儲備中確認的累計收益或虧損會被轉出及在收支帳目中確認。投資的購入及出售採用交易日會計法確認入帳。投資以當時買盤價作價。

當可供出售投資出現減值，已在公平值儲備中確認的累計虧損會從公平值儲備中轉出，並在收支帳目中確認。在收支帳目中確認的累計虧損是以購買成本(扣除任何本金償還和攤銷額)與當時公平值之間的差額，減去以往就該資產在收支帳目中確認的任何減值虧損後計算。

# 警察子女教育信託基金

## 財務報表附註(續)

### 2 主要會計政策(續)

可供出售股本證券已在收支帳目中確認的減值虧損不會通過收支帳目轉回。這些資產公平值其後的任何增額會直接在其他全面收益中確認。

如果可供出售債務證券公平值其後的增額客觀上與減值虧損確認後發生的事件有關，則應轉回減值虧損。在此情況下轉回的減值虧損均在收支帳目中確認。

#### (e) 存款證投資

存款證投資歸類為持有至到期投資，以公平值加上交易成本後初始確認，其後採用實際利率法按攤銷成本值入帳。實際利率法是計算金融資產的攤銷成本值，以及攤分在有關期間的利息收入的方法。實際利率是指將金融工具在預計有效期間(或適用的較短期間)內的預計現金收入，折現成該金融資產的帳面淨值所適用的利率。

存款證投資列入非流動資產，但如到期日距離結算日少於 12 個月，則歸類為流動資產。投資的購入及出售採用交易日會計法確認入帳。

#### (f) 應收帳款

應收帳款按公平值初始確認，其後按攤銷成本減去呆壞帳減值虧損後所得數額入帳，但如其折現影響並不重大則除外。在此情況下，應收帳款會按成本減去呆壞帳減值虧損後所得數額入帳。

呆壞帳減值虧損是以金融資產的帳面金額與已折現(如果折現會造成重大的影響)的預計未來現金流量之間的差額計量。

#### (g) 現金及等同現金項目

現金及等同現金項目包括銀行存款和現金、存放於銀行的活期存款，以及短期高度流動的投資項目。短期高度流動投資是指可隨時轉換為已知金額的現金而所涉及的價值改變風險不大及於購入時於三個月內到期的投資。

# 警察子女教育信託基金

## 財務報表附註(續)

### 2 主要會計政策(續)

#### (h) 應付帳款

應付帳款按公平值初始確認，其後按攤銷成本值入帳；但如折現影響並不重大，則按成本入帳。

#### (i) 收入

(i) 捐款收入於收到現金及獲准接受捐款後確認。

(ii) 上市投資的股息收入於信託基金接收款項的權利獲得確認時確認入帳。

(iii) 可供出售投資、持有至到期投資及銀行存款的利息收入按實際利率法累計確認入帳。

#### (j) 助學金

助學金撥備按信託基金的管理委員會於年內授權的助學金款額提撥。

#### (k) 外幣折算

年內的外幣交易按交易日的外幣匯率折算為港幣。以外幣為單位的貨幣資產與負債則按結算日的市場匯率折算為港幣。匯兌盈虧在收支帳目中處理。

# 警察子女教育信託基金

## 財務報表附註(續)

### 3 可供出售投資

	2016 港元	2015 港元
債務證券(按公平值入帳)		
- 在香港上市	8,353,961	10,174,943
- 在香港以外地方上市	13,191,768	16,655,387
	<u>21,545,729</u>	<u>26,830,330</u>
股本證券(按公平值入帳)		
- 在香港上市	19,716,090	19,695,648
	<u>41,261,819</u>	<u>46,525,978</u>
	=====	=====
歸類為：		
- 非流動資產	32,907,858	41,789,246
- 流動資產	8,353,961	4,736,732
	<u>41,261,819</u>	<u>46,525,978</u>
	=====	=====

### 4 持有至到期投資

	2016 港元	2015 港元
存款證(按攤銷成本入帳)	21,189,540	23,359,937
	=====	=====

### 5 現金及等同現金項目

	2016 港元	2015 港元
原本不超過三個月到期的銀行存款	-	1,089,834
活期存款	32,477,233	5,958,156
銀行現金	65,150	40,719
	<u>32,542,383</u>	<u>7,088,709</u>
	=====	=====

現金及等同現金項目包括下列並非以信託基金的功能貨幣為單位的款額。



## 警察子女教育信託基金

### 財務報表附註(續)

#### 5 現金及等同現金項目(續)

	2016 港元	2015 港元
美元：		
65,970美元 (2015年： 67,848美元)	511,517	526,158
人民幣：		
944,581圓人民幣 (2015年： 3,173,097圓 人民幣)	1,132,836	3,964,438
澳元：		
無 (2015年： 183,659澳元)	-	1,089,834
	<u>1,644,353</u>	<u>5,580,430</u>
	=====	=====

#### 6 信託基金帳戶

於二零一六年三月三十一日，信託基金結餘包括 2,479,580 港元 (2015年： 2,668,272港元)來自香港賽馬會慈善基金的捐款及從捐款產生的收入，並已扣除助學金。有關捐款須用作指定用途。

#### 7 利息收入

	2016 港元	2015 港元
銀行存款的利息收入	47,560	110,391
持有至到期投資的利息收入	1,047,251	511,951
可供出售投資的利息收入	817,049	1,028,519
	<u>1,911,860</u>	<u>1,650,861</u>
	=====	=====

#### 8 助學金

助學金包括就香港警務處初級警務人員子女的高等教育所提供的學費和書簿津貼。

# 警察子女教育信託基金

## 財務報表附註(續)

### 9 金融風險管理

信託基金的金融資產包括可供出售投資、持有至到期投資、銀行存款、應收帳款與現金及等同現金項目。信託基金的金融負債則包括應付帳款。信託基金於本年度並無簽訂任何外匯合同、利率掉期或其他金融工具。信託基金的金融工具所涉及的主要風險載列如下。

#### (a) 信貸風險

信貸風險是指金融工具的一方持有者會因未能履行責任而引致另一方蒙受財務損失的風險。

為了減少銀行存款的信貸風險，所有存款存放在香港信譽良好的持牌銀行。為了減少可供出售投資及持有至到期投資的信貸風險，只有由穆迪或標準普爾評級為投資級別的才會獲考慮。債務證券的投資在結算日的信貸質素，以穆迪或標準普爾的評級較低者為準，分析如下：

	2016 港元	2015 港元
按信貸評級列示存款證		
P-1 / A-1+至A-1	21,189,540	9,616,636
P-2 / A-2	-	13,743,301
	<u>21,189,540</u>	<u>23,359,937</u>
	=====	=====
按信貸評級列示其他債務證券		
Aa1 至 Aa3 / AA+ 至 AA-	1,520,163	4,679,468
A1 至 A3 / A+ 至 A-	14,085,459	20,932,094
Baa1 至 Baa3 / BBB+ 至 BBB-	5,940,107	1,218,768
	<u>21,545,729</u>	<u>26,830,330</u>
	=====	=====

於結算日，本信託基金的信貸風險最高值為資產負債表所列各相關金融資產的帳面金額。至於其他應收帳款，信託基金認為已按情況所需為於結算日預期無法討回的款額作出充足的撥備。

# 警察子女教育信託基金

## 財務報表附註(續)

### 9 金融風險管理(續)

#### (b) 流動資金風險

信託基金會定期監察當期和未來的資金需求，並維持充裕的現金儲備和獲得足夠的資金，以滿足短期和較長期的流動資金需求。

#### (c) 利率風險

##### (i) 承受的利率風險

利率風險指因市場利率變動而引致虧損的風險，利率風險可進一步分為公平值利率風險及現金流量利率風險。

公平值利率風險指金融工具的公平值會因市場利率變動而波動的風險。債務證券投資根據已記錄的風險管理或投資策略制定，信託基金持續地監察公平值利率風險。由於本信託基金所有債務證券及銀行定期存款均按固定利率計息，當市場利率上升，這些證券及存款的公平值便會下跌。不過，由於持有至到期存款證及銀行定期存款均按攤銷成本值列示，其帳面值不受市場利率變動影響。

現金流量利率風險指金融工具的未來現金流量會因市場利率變動而波動的風險。本信託基金無須承受重大的現金流量利率風險，因為浮息金融工具的利息收入並不重大。

##### (ii) 敏感度分析

於二零一六年三月三十一日，在所有其他可變因素維持不變的情況下，估計利率一般上調 50 個基點 (2015年：50 個基點)，將使信託基金的其他全面收益及公平值儲備結餘減少約 147,000 港元 (2015年：252,000 港元)，而利率一般下調 50 個基點 (2015年：50 個基點)，將使其他全面收益及公平值儲備增加約152,000 港元 (2015年：256,000 港元)。

# 警察子女教育信託基金

## 財務報表附註(續)

### 9 金融風險管理(續)

釐定以上的敏感度分析時，已假設利率變動已於結算日出現，並已應用於當日存在的附息可供出售投資。上調或下調 50 個基點乃信託基金對利率在直至下年度結算日期間的合理可能變動所作的評估。二零一五年的分析按相同基準進行。

#### (d) 股價風險

股價風險是股票價格變動而引致虧損的風險。信託基金須承受股本證券投資的股價風險(見附註 3)。為了管理有關風險，投資諮詢委員會定期檢討有關投資組合及用以監察信託基金投資活動的投資指引。

如股本證券的市場價格上升／下降 10% (2015年：20%)，於結算日的其他全面收益及公平值儲備結餘會因公平值改變而增加／減少約 1,972,000 港元 (2015年：3,939,000 港元)。敏感度分析是根據信託基金於結算日所持有的股本證券的帳面金額而所有其他可變因素維持不變的情況下進行。

#### (e) 外幣風險

##### (i) 承受的外幣風險

於結算日，信託基金持有以美元、人民幣及澳元為單位的金融資產淨值如下。

## 警察子女教育信託基金

### 財務報表附註(續)

#### 9 金融風險管理(續)

	2016 港元	2015 港元
美元：		
65,971 美元		
(2015年： 67,849 美元)	511,522	526,163
人民幣：		
24,132,599 圓人民幣		
(2015年： 34,481,907 圓人民幣)	28,942,216	43,081,381
澳元：		
1,249,423 澳元		
(2015年： 1,460,248 澳元)	7,431,293	8,665,133
	<u>36,885,031</u>	<u>52,272,677</u>
	=====	=====

由於港幣與美元於窄幅掛鈎，因此信託基金毋須承受與美元有關的重大外幣匯率風險。由於信託基金無為人民幣和澳元作外幣匯率對沖，信託基金的人民幣和澳元金融資產的帳面金額代表信託基金所承受的最大外幣匯率風險。

#### (iii) 敏感度分析

於結算日，在所有其他可變因素維持不變的情況下，估計人民幣和澳元兌港幣上升／下跌 5% (2015年：5%)，將使信託基金的年度盈餘增加／減少接近 1,820,000 港元 (2015年：2,593,000 港元)。

#### (f) 金融工具的公平值等級

下表載列於結算日金融工具按公平值定期計量的帳面值，並按《香港財務報告準則》第 13 號「公平值計量」所界定的三個公平值等級分類。

# 警察子女教育信託基金

## 財務報表附註(續)

### 9 金融風險管理(續)

	第一級 港元	2016 第二級 港元	總額 港元
可供出售投資：			
股本證券			
- 上市	19,716,090	-	19,716,090
債務證券			
- 上市	21,545,729	-	21,545,729
	<u>41,261,819</u>	<u>-</u>	<u>41,261,819</u>

	第一級 港元	2015 第二級 港元	總額 港元
可供出售投資：			
股本證券			
- 上市	19,695,648	-	19,695,648
債務證券			
- 上市	26,830,330	-	26,830,330
	<u>46,525,978</u>	<u>-</u>	<u>46,525,978</u>

年內，第一級及第二級之間並沒有調撥。

該三級公平值級別的界定如下：

第一級：公平值只使用在計量日相同的金融工具於活躍市場的未經調整報價計算；

第二級：公平值使用未能達到第一級的可觀察輸入值且並不使用重大不可觀察的輸入數據計算。不可觀察輸入值為並無市場數據的輸入值；及

第三級：公平值使用重大不可觀察的輸入值計算。

## 警察子女教育信託基金

### 財務報表附註(續)

#### 9 金融風險管理(續)

##### (g) 金融資產及負債的公平值

所有金融資產及負債均以公平值或與其相差不大的金額列於資產負債表上。

#### 10 資本管理

信託基金的資本結構包括信託基金帳戶及公平值儲備。在管理資本方面，信託基金的宗旨是：

- (a) 遵行《警察子女教育信託基金條例》的規定；及
- (b) 維持充裕的資本基礎，以執行上文附註 1 所述的信託基金目的。

信託基金會因應預計的現金流量需求、未來的財務責任與承擔，透過檢討資本水平來確保其資本足以支付日後的助學金及支出。

## Police Education and Welfare Trust

Financial statements for the year ended 31 March 2016



# ***Report of the Director of Audit***



**Audit Commission**

**The Government of the Hong Kong Special Administrative Region**

## **Independent Audit Report**

### **To the Legislative Council**

I certify that I have audited the financial statements of the Police Education and Welfare Trust set out on pages 3 to 19, which comprise the balance sheet as at 31 March 2016, and the income and expenditure account, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Commissioner of Police's Responsibility for the Financial Statements**

The Commissioner of Police is responsible for the preparation of financial statements that give a true and fair view in accordance with section 10(1) of the Police Education and Welfare Trust Ordinance (Cap. 1120) and Hong Kong Financial Reporting Standards, and for such internal control as the Commissioner of Police determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with section 10(2) of the Police Education and Welfare Trust Ordinance and the Audit Commission auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 Commissioner of Police, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements give a true and fair view of the financial position of the Police Education and Welfare Trust as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with section 10(1) of the Police Education and Welfare Trust Ordinance.

  
TEO Wing-on  
Principal Auditor  
for Director of Audit

1 December 2016

Audit Commission  
26th Floor  
Immigration Tower  
7 Gloucester Road  
Wanchai, Hong Kong

**POLICE EDUCATION AND WELFARE TRUST**

**BALANCE SHEET AS AT 31 MARCH 2016**

	<b>Note</b>	<b>2016</b> HK\$	<b>2015</b> HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Available-for-sale investments	3	14,654,086	19,668,438
		-----	-----
<b>Current assets</b>			
Available-for-sale investments	3	3,578,230	1,494,472
Held-to-maturity investments	4	3,198,434	14,245,736
Account receivables		130,876	247,945
Bank deposits	5	-	1,974,607
Cash and cash equivalents	6	19,809,521	2,745,760
		-----	-----
		26,717,061	20,708,520
<b>Current liabilities</b>			
Account payables		(1,385,633)	(100)
		-----	-----
<b>Net current assets</b>		25,331,428	20,708,420
		-----	-----
<b>NET ASSETS</b>		39,985,514	40,376,858
		=====	=====
<b>EQUITY</b>			
<b>Trust fund account</b>	7	40,401,990	38,835,306
<b>Fair value reserve</b>		(416,476)	1,541,552
		-----	-----
<b>TOTAL EQUITY</b>		39,985,514	40,376,858
		=====	=====

The accompanying notes 1 to 11 form part of these financial statements.

(LO Wai-chung)  
Commissioner of Police  
1 December 2016

**POLICE EDUCATION AND WELFARE TRUST**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 HK\$	2015 HK\$
<b>INCOME</b>			
Donations		2,912,606	7,902,775
Interest income	8	779,955	723,469
Dividend income		247,725	274,246
Gain on disposal of investments		10,230	410,969
		<u>3,950,516</u>	<u>9,311,459</u>
		-----	-----
<b>EXPENDITURE</b>			
Bursaries	9	(1,384,310)	(1,538,080)
Treasurer's remuneration		(42,000)	(42,000)
Sundry expenses		(51,202)	(48,749)
Net exchange losses		(906,320)	(613,711)
		<u>(2,383,832)</u>	<u>(2,242,540)</u>
		-----	-----
<b>SURPLUS FOR THE YEAR</b>		<u>1,566,684</u>	<u>7,068,919</u>
		=====	=====

The accompanying notes 1 to 11 form part of these financial statements.

**POLICE EDUCATION AND WELFARE TRUST**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>2016</b> HK\$	<b>2015</b> HK\$
<b>SURPLUS FOR THE YEAR</b>	1,566,684	7,068,919
	-----	-----
		-
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that may be reclassified subsequently to surplus or deficit:		
Available-for-sale investments		
Net (losses)/gains on revaluation	(1,444,673)	1,409,154
Reclassification adjustments released from fair value reserve upon disposal	(513,355)	(222,763)
	<u>(1,958,028)</u>	<u>1,186,391</u>
	-----	-----
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>	(391,344)	8,255,310
	=====	=====

The accompanying notes 1 to 11 form part of these financial statements.

**POLICE EDUCATION AND WELFARE TRUST**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Trust fund account HK\$</b>	<b>Fair value reserve HK\$</b>	<b>Total HK\$</b>
Balance at 1 April 2014	31,766,387	355,161	32,121,548
Total comprehensive income for 2014-15	7,068,919	1,186,391	8,255,310
Balance at 31 March 2015	<u>38,835,306</u>	<u>1,541,552</u>	<u>40,376,858</u>
Total comprehensive loss for 2015-16	1,566,684	(1,958,028)	(391,344)
Balance at 31 March 2016	<u>40,401,990</u> =====	<u>(416,476)</u> =====	<u>39,985,514</u> =====

The accompanying notes 1 to 11 form part of these financial statements.

**POLICE EDUCATION AND WELFARE TRUST**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Note</b>	<b>2016 HK\$</b>	<b>2015 HK\$</b>
Cash flows from operating activities			
Surplus for the year		1,566,684	7,068,919
Adjustments for :			
Interest income		(779,955)	(723,469)
Dividend income		(247,725)	(274,246)
Gain on disposal of investments		(10,230)	(410,969)
Exchange differences		766,328	632,767
Increase in account payables		1,385,533	-
Decrease in account receivables		25,835	7,329
Net cash from operating activities		<u>2,706,470</u>	<u>6,300,331</u>
Cash flows from investing activities			
Purchases of investments		(10,045,228)	(18,276,696)
Proceeds from disposal/redemption of investments		21,379,054	10,794,716
Net decrease in bank deposits with original maturity over three months		1,974,607	1,230
Interest received		800,080	696,028
Dividends received		247,725	274,246
Net cash from/(used in) investing activities		<u>14,356,238</u>	<u>(6,510,476)</u>
Net increase/(decrease) in cash and cash equivalents		17,062,708	(210,145)
Cash and cash equivalents at beginning of year		2,745,760	3,012,257
Effect of exchange rate changes on cash and cash equivalents		1,053	(56,352)
Cash and cash equivalents at end of year	6	<u>19,809,521</u>	<u>2,745,760</u>

The accompanying notes 1 to 11 form part of these financial statements.

## **POLICE EDUCATION AND WELFARE TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1 STATUS OF POLICE EDUCATION AND WELFARE TRUST (“THE TRUST”)**

The Trust was established in 1967 under the Police Education and Welfare Trust Ordinance (Cap.1120) for the purpose of providing assistance in, and facilities for, the general education of the children of police officers of all ranks, including auxiliary police, of the Hong Kong Police Force.

#### **2 SIGNIFICANT ACCOUNTING POLICIES**

(a) Statement of compliance

The financial statements have been prepared in accordance with section 10(1) of the Police Education and Welfare Trust Ordinance and all applicable Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants.

(b) Basis of preparation

The financial statements have been prepared on an accrual basis and under the historical cost convention except that available-for-sale financial assets are stated at fair value as explained in the accounting policy set out in note 2(d) below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgements involved in the application of the Trust’s accounting policies. There are neither key assumptions concerning the future nor other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next year.



## **POLICE EDUCATION AND WELFARE TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Adoption of new/revised HKFRSs**

The Trust has adopted all new/revised HKFRSs which are effective and relevant to the Trust for the current accounting period.

The Trust has not early adopted any amendments, new standards and interpretations which are not yet effective for the current accounting period. The Trust is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial adoption. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Trust's result of operations and financial position.

**(d) Investments in debt and equity securities**

Investments in debt and equity securities, being those held for non-trading purposes, are classified as available-for-sale investments and are initially recognised at fair value plus transaction costs. They are included in non-current assets unless the Trust intends to dispose of the investment within 12 months of the balance sheet date. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in the fair value reserve, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses which are recognised directly in the income and expenditure account. When these investments are sold, the difference between the net sales proceeds and the carrying value is included in the income and expenditure account, and the cumulative gain or loss previously recognised in the fair value reserve is removed and recognised in the income and expenditure account. Purchases and sales of investments are recognised using trade date accounting. The investments are priced at current bid prices.

When available-for-sale investments are impaired, the cumulative loss that had been recognised in the fair value reserve is removed from the fair value reserve and recognised in the income and expenditure account. The amount of the cumulative loss that is recognised in the income and expenditure account is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income and expenditure account.

## **POLICE EDUCATION AND WELFARE TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Impairment losses recognised in the income and expenditure account in respect of available-for-sale equity securities are not reversed through the income and expenditure account. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the income and expenditure account.

**(e) Investments in certificate of deposits**

Investments in certificate of deposits are classified as held-to-maturity investments. They are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset.

Investments in certificates of deposits are included in non-current assets, except for those with maturities less than 12 months from the balance sheet date, which are classified as current assets. Purchases and sales of investments are recognised using trade date accounting.

**(f) Account receivables**

Receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

## **POLICE EDUCATION AND WELFARE TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(h) Account payables

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(i) Income

(i) Donation income is recognised once cash is received and the approval for acceptance is obtained.

(ii) Dividend income from listed investments is recognised when the Trust's right to receive payment is established.

(iii) Interest incomes from bank deposits, available-for-sale investments and held-to-maturity investments are recognised as they accrue using the effective interest method.

(j) Bursaries

Provision for bursaries is made on the basis of bursaries authorised by the Management Committee of the Trust during the year.

(k) 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 denominated in foreign currencies are translated into Hong Kong dollars at the market rates of exchange ruling at the balance sheet date. Exchange gains and losses are dealt with in the income and expenditure account.

**POLICE EDUCATION AND WELFARE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3 AVAILABLE-FOR-SALE INVESTMENTS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Debt securities, at fair value		
- listed in Hong Kong	3,578,230	3,673,022
- listed outside Hong Kong	6,275,266	7,947,448
	<u>9,853,496</u>	<u>11,620,470</u>
Equity securities, at fair value		
- listed in Hong Kong	8,378,820	9,542,440
	<u>18,232,316</u>	<u>21,162,910</u>
	=====	=====
Classified as :		
- Non-current assets	14,654,086	19,668,438
- Current assets	3,578,230	1,494,472
	<u>18,232,316</u>	<u>21,162,910</u>
	=====	=====

**4 HELD-TO-MATURITY INVESTMENTS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Certificates of deposits, at amortised cost	3,198,434	14,245,736
	<u>=====</u>	<u>=====</u>

**5 BANK DEPOSITS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Bank deposits:		
Nil (2015: CNY1,580,456)	-	1,974,607
	<u>=====</u>	<u>=====</u>

These are time deposits placed with banks with original maturities over three months.

**POLICE EDUCATION AND WELFARE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6 CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Bank deposits with original maturities up to three months	-	336,797
Call deposits	19,758,528	2,374,622
Cash at banks	50,993	34,341
	<hr/>	<hr/>
Cash and cash equivalents	19,809,521	2,745,760
	<hr/>	<hr/>

Cash and cash equivalents include the following amounts denominated in a currency other than the Trust's functional currency.

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Australian Dollars:		
Nil (2015: AUD56,757)	-	336,797
United States Dollars:		
USD13,162 (2015: USD13,160)	102,052	102,058
Renminbi:		
CNY1,674,811 (2015: CNY329,129)	2,008,600	411,211
	<hr/>	<hr/>
	2,110,652	850,066
	<hr/>	<hr/>

**7 TRUST FUND ACCOUNT**

Of the trust fund balance at 31 March 2016, HK\$2,430,273 (2015: HK\$2,566,253) is related to donations from the Hong Kong Jockey Club Charities Trust and income generated therefrom, less bursary payments; and HK\$1,066,410(2015: HK\$1,105,729) is related to donations from the Providence Foundation Limited and income generated therefrom, less bursary payments. These two donations are for designated purposes.

# POLICE EDUCATION AND WELFARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8 INTEREST INCOME

	2016 HK\$	2015 HK\$
Interest income from bank deposits	48,362	93,307
Interest income from held-to-maturity investments	374,158	221,408
Interest income from available-for-sale investments	357,435	408,754
	<u>779,955</u>	<u>723,469</u>
	=====	=====

### 9 BURSARIES

The bursaries are for book grants and other subsidies for the general education of the children of police officers of all ranks, including auxiliary police, of the Hong Kong Police Force.

### 10 FINANCIAL RISK MANAGEMENT

The Trust's major financial assets include available-for-sale investments, held-to-maturity investments, account receivables and cash and cash equivalents. Financial liabilities of the Trust include account payables. The Trust did not enter into any foreign exchange contracts, interest rate swaps or other financial instruments during the year. The major risks associated with the Trust's financial instruments are set out below.

#### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

To minimise credit risks arising from bank deposits, all deposits are placed with reputable licensed banks in Hong Kong. To minimise credit risks arising from available-for-sale investments and held-to-maturity investments, only those classified under the investment grade by Moody's or Standard & Poor's are considered. At the balance sheet date, the credit quality of investments in debt securities, analysed by the lower of ratings designated by Moody's or Standard & Poor's, was as follows:

# POLICE EDUCATION AND WELFARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	2016 HK\$	2015 HK\$
Certificates of deposits by credit rating		
P-1 / A-1+ to A-1	3,198,434	8,623,477
P-2 / A-2	-	5,622,259
	<u>3,198,434</u>	<u>14,245,736</u>
	=====	=====
Other debt securities by credit rating		
Aaa to Aa3 / AAA to AA-	608,065	2,120,866
A1 to A3 / A+ to A-	5,686,054	8,280,836
Baa1 to Baa3 / BBB+ to BBB-	3,559,377	1,218,768
	<u>9,853,496</u>	<u>11,620,470</u>
	=====	=====

For other receivables, the Trust considers that adequate provision has been made, where necessary, for amounts which are expected to be irrecoverable at the balance sheet date.

The Trust's maximum exposure to credit risk at the balance sheet date in relation to each class of financial assets is the carrying amount of those assets as stated in the balance sheet.

#### (b) Equity price risk

Equity price risk is the risk of loss arising from changes in equity prices. The Trust is exposed to equity price risk arising from its investment in equity securities (see note 3). To manage the risk, the Investment Advisory Board regularly reviews the investment portfolio and the investment guidelines for monitoring the investment activities of the Trust.

If the market price of the respective equity security had been 10% (2015: 10%) higher/lower, other comprehensive income and the balance of the Trust's fair value reserve would have increased/decreased by about HK\$838,000 (2015: HK\$954,000) as a result of changes in fair value. The sensitivity analysis was based on the total carrying amount of equity securities held by the Trust at the balance sheet date, assuming that all other variables were held constant.

#### (c) Liquidity risk

In the management of liquidity risk, the Trust maintains the level of cash and cash equivalents that is considered adequate to finance its operations and mitigate the effects of fluctuations in cash flows.

## **POLICE EDUCATION AND WELFARE TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **10 FINANCIAL RISK MANAGEMENT (CONTINUED)**

##### **(d) Interest rate risk**

##### **(i) Exposure to interest rate risk**

Interest rate risk refers to the risk of loss arising from changes in market interest rates. This can be further classified into fair value interest rate risk and cash flow interest rate risk.

Fair value interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates. Investments in debt securities are made in accordance with a documented risk management or investment strategy, and the Trust monitors the fair value interest rate risk on a continuous basis. Since the Trust's debt securities and its time deposits with banks bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as time deposits with banks and held-to-maturity certificate of deposits are all stated at amortised cost, their carrying amounts will not be affected by changes in market interest rates.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is not exposed to material cash flow interest rate risk because interest income from financial instruments bearing interest at a floating rate is not significant.

##### **(ii) Sensitivity analysis**

It was estimated that, as at 31 March 2016, a general increase of 50 basis points (2015: 50 basis points) in interest rates, with all other variables held constant, would decrease other comprehensive income and the balance of the Trust's fair value reserve by about HK\$79,000 (2015: HK\$123,000) and a general decrease of 50 basis points (2015: 50 basis points) would increase other comprehensive income and the fair value reserve by about HK\$80,000 (2015: HK\$125,000).

The sensitivity analysis above was determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to interest-bearing available-for-sale investments in existence at that date. The increase or decrease of 50 basis points represents the Trust's assessment of a reasonably possible change in interest rates over the period until the next balance sheet date. The analysis was performed on the same basis for 2015.



# POLICE EDUCATION AND WELFARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (e) Foreign currency risk

##### (i) Exposure to currency risk

At the balance sheet date, the Trust maintains net financial assets denominated in United States dollars, Renminbi and Australian dollars, as follows.

	2016 HK\$	2015 HK\$
United States Dollars:		
USD13,004		
(2015: USD13,160)	100,830	102,058
Renminbi:		
CNY8,672,522		
(2015: CNY16,126,455)	10,400,952	20,148,246
Australian Dollars:		
AUD468,656		
(2015: AUD535,667)	2,787,463	3,178,654
	<u>13,289,245</u>	<u>23,428,958</u>
	=====	=====

As the Hong Kong dollar is pegged to the United States dollar within a narrow range, it is considered that the Trust had no significant exposure to foreign exchange risk relating to this currency. Since no foreign currency rate hedging is made by the Trust, the carrying amounts of the financial instruments in Renminbi and the Australian dollar represent the maximum exposure of the Trust to foreign currency risk in respect of Renminbi and the Australian dollar.

##### (ii) Sensitivity analysis

It was estimated that, as at 31 March 2016, should Renminbi and the Australian dollar strengthen/weaken by 5% (2015: 5%) against the Hong Kong dollar, with all other variables being held constant, the surplus of the Trust would increase/decrease by HK\$662,000 (2015: HK\$1,171,000).

**POLICE EDUCATION AND WELFARE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 FINANCIAL RISK MANAGEMENT (CONTINUED)**

(f) Fair values hierarchy of financial instruments

The following table presents the carrying values of financial instruments measured at fair value at the balance sheet date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement.

	<b>Level 1</b>	<b>2016 Level 2</b>	<b>Total</b>
	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Available-for-sale investments:			
Equity securities – listed	8,378,820	-	8,378,820
Debt securities – listed	9,853,496	-	9,853,496
	<u>18,232,316</u>	<u>-</u>	<u>18,232,316</u>

	<b>Level 1</b>	<b>2015 Level 2</b>	<b>Total</b>
	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Available-for-sale investments:			
Equity securities – listed	9,542,440	-	9,542,440
Debt securities – listed	11,620,470	-	11,620,470
	<u>21,162,910</u>	<u>-</u>	<u>21,162,910</u>

During the year, there were no transfers between instruments in Level 1 and Level 2.

The three levels of the fair value hierarchy are:

Level 1: fair value measured using only unadjusted quoted prices in active markets for identical financial instruments at the measurement date;

Level 2: fair value measured using observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and

Level 3: fair value measured using significant unobservable inputs.

## **POLICE EDUCATION AND WELFARE TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **10 FINANCIAL RISK MANAGEMENT (CONTINUED)**

(g) Fair values of financial assets and liabilities

All financial assets and liabilities are stated in the balance sheet at amounts equal to or not materially different from their fair values.

#### **11 CAPITAL MANAGEMENT**

The capital structure of the Trust consists of the Trust fund account and the fair value reserve. The Trust's objectives when managing capital are:

- (i) to comply with the Police Education and Welfare Trust Ordinance; and
- (ii) to maintain a strong capital base for carrying out the purpose of the Trust as stated in note 1 above.

The Trust monitors capital by reviewing its level to ensure that it is sufficient to fund future bursaries and expenditure, taking into account projected cash flow requirements, future financial obligations and commitments.

## 警察教育及福利信託基金

截至 2016 年 3 月 31 日止年度的財務報表

# 審計署署長報告



香港特別行政區政府  
審計署

## 獨立審計報告

### 致立法會

茲證明我已審計列載於第3至19頁警察教育及福利信託基金的財務報表，該等財務報表包括於2016年3月31日的資產負債表與截至該日止年度的收支帳目、全面收益表、權益變動表和現金流量表，以及主要會計政策概要及其他附註解釋資料。

### 警務處處長就財務報表須承擔的責任

警務處處長須負責按照《警察教育及福利信託基金條例》(第1120章)第10(1)條及《香港財務報告準則》擬備真實而公平的財務報表，及落實其認為必要的內部控制，以使財務報表不存有由於欺詐或錯誤而導致的重大錯誤陳述。

### 審計師的責任

我的責任是根據我的審計對該等財務報表作出意見。我已按照《警察教育及福利信託基金條例》第10(2)條及審計署的審計準則進行審計。這些準則要求我遵守道德規範，並規劃及執行審計，以合理確定財務報表是否不存有任何重大錯誤陳述。

審計涉及執执行程序以獲取有關財務報表所載金額及披露資料的審計憑證。所選定的程序取決於審計師的判斷，包括評估由於欺

詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，審計師考慮與該基金擬備真實而公平地列報財務報表有關的內部控制，以設計適當的審計程序，但並非為對基金的內部控制的效能發表意見。審計亦包括評價警務處處長所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我相信，我所獲得的審計憑證是充足和適當地為我的審計意見提供基礎。

## 意見

我認為，該等財務報表已根據《香港財務報告準則》真實而公平地反映警察教育及福利信託基金於2016年3月31日的財務狀況及截至該日止年度的財務表現及現金流量，並已按照《警察教育及福利信託基金條例》第10(1)條妥為擬備。

審計署署長  
(審計署首席審計師張永安代行)

2016年12月1日

審計署  
香港灣仔  
告士打道7號  
入境事務大樓26樓

# 警察教育及福利信託基金

## 於二零一六年三月三十一日的資產負債表

	附註	2016 港元	2015 港元
<b>資產</b>			
<b>非流動資產</b>			
可供出售投資	3	14,654,086	19,668,438
		-----	-----
<b>流動資產</b>			
可供出售投資	3	3,578,230	1,494,472
持有至到期投資	4	3,198,434	14,245,736
應收帳款		130,876	247,945
銀行存款	5	-	1,974,607
現金及等同現金項目	6	19,809,521	2,745,760
		-----	-----
		26,717,061	20,708,520
<b>流動負債</b>			
應付帳款		(1,385,633)	(100)
		-----	-----
<b>流動資產淨值</b>		25,331,428	20,708,420
		-----	-----
<b>資產淨值</b>		39,985,514	40,376,858
		=====	=====
<b>權益</b>			
信託基金帳戶	7	40,401,990	38,835,306
公平值儲備		(416,476)	1,541,552
		-----	-----
<b>權益總額</b>		39,985,514	40,376,858
		=====	=====

隨附附註1至11為本財務報表的一部分。

警務處處長盧偉聰  
二零一六年十二月一日

# 警察教育及福利信託基金

## 截至二零一六年三月三十一日止年度收支帳目

	附註	2016 港元	2015 港元
收入			
捐款		2,912,606	7,902,775
利息收入	8	779,955	723,469
股息收入		247,725	274,246
出售投資的收益		10,230	410,969
		<u>3,950,516</u>	<u>9,311,459</u>
		-----	-----
支出			
助學金	9	(1,384,310)	(1,538,080)
司庫酬金		(42,000)	(42,000)
雜項支出		(51,202)	(48,749)
匯兌虧損淨額		(906,320)	(613,711)
		<u>(2,383,832)</u>	<u>(2,242,540)</u>
		=====	=====
本年度盈餘		<u>1,566,684</u>	<u>7,068,919</u>
		=====	=====

隨附附註1至11為本財務報表的一部分。



## 警察教育及福利信託基金

### 截至二零一六年三月三十一日止年度全面收益表

	2016 港元	2015 港元
年度盈餘	1,566,684 -----	7,068,919 -----
其他全面收益		
將來或會重新分類為盈餘或虧絀的項目：		
可供出售投資		
價值重估淨(虧損)/收益	(1,444,673)	1,409,154
出售時從公平值儲備		
回撥的重新分類調整	(513,355)	(222,763)
	(1,958,028) -----	1,186,391 -----
年度全面(虧損) /收益總額	(391,344) =====	8,255,310 =====

隨附附註1至11為本財務報表的一部分。

## 警察教育及福利信託基金

### 截至二零一六年三月三十一日止年度權益變動表

	信託基金 帳戶 港元	公平值 儲備 港元	總額 港元
2014年4月1日的結餘	31,766,387	355,161	32,121,548
2014-15年度全面收益總額	7,068,919	1,186,391	8,255,310
2015年3月31日的結餘	<u>38,835,306</u>	<u>1,541,552</u>	<u>40,376,858</u>
2015-16年度全面虧損總額	1,566,684	(1,958,028)	(391,344)
2016年3月31日的結餘	<u>40,401,990</u> =====	<u>(416,476)</u> =====	<u>39,985,514</u> =====

隨附附註1至11為本財務報表的一部分。

# 警察教育及福利信託基金

## 截至二零一六年三月三十一日止年度現金流量表

	附註	2016 港元	2015 港元
營運活動的現金流量			
本年度盈餘		1,566,684	7,068,919
調整項目：			
利息收入		(779,955)	(723,469)
股息收入		(247,725)	(274,246)
出售投資的收益		(10,230)	(410,969)
匯兌差額		766,328	632,767
應付帳款增加		1,385,533	-
應收帳款減少		25,835	7,329
營運活動所得的現金淨額		<u>2,706,470</u>	<u>6,300,331</u>
投資活動的現金流量			
購入投資付款		(10,045,228)	(18,276,696)
出售／贖回投資的收款		21,379,054	10,794,716
原本超過三個月到期的銀行存款的 減少淨額		1,974,607	1,230
已收利息		800,080	696,028
已收股息		247,725	274,246
投資活動所得/(所用)的現金淨額		<u>14,356,238</u>	<u>(6,510,476)</u>
現金及等同現金項目增加/(減少)淨額		17,062,708	(210,145)
年初的現金及等同現金項目		2,745,760	3,012,257
匯率變動對現金及等同現金項目的影響		1,053	(56,352)
年終的現金及等同現金項目	6	<u>19,809,521</u>	<u>2,745,760</u>

隨附附註1至11為本財務報表的一部分。

# 警察教育及福利信託基金

## 財務報表附註

### 1 警察教育及福利信託基金(「信託基金」)的一般資料

信託基金在一九六七年根據《警察教育及福利信託基金條例》(第1120章)成立，目的是就香港警務處各級警務人員(包括香港輔助警察隊)子女的一般教育提供協助及設施。

### 2 主要會計政策

#### (a) 符合準則聲明

本財務報表是根據《警察教育及福利信託基金條例》第 10(1) 條及香港會計師公會頒布的《香港財務報告準則》的所有適用規定擬備。

#### (b) 擬備基準

本財務報表是按應計記帳方式及歷史成本法擬備，但可供出售的金融資產則是按公平值入帳，下文附註 2(d) 所列載的會計政策作出解釋。

擬備符合《香港財務報告準則》的財務報表需要管理層作出判斷、估計及假設，而有關判斷、估計及假設會影響會計政策的採納及資產、負債、收入及支出的呈報總額。此等估計及相關的假設是根據以往經驗及其他在有關情況下認為合適的因素而制定。在欠缺其他現成數據的情況下，則採用此等估計及假設作為判斷有關資產及負債的帳面值的基礎，估計結果與實際價值或有不同。

此等估計及相關假設會不斷檢討修訂。如修訂只影響該會計期，會在作出修訂的期內確認，但如影響該期及未來的會計期，有關修訂便會在該期及未來期間內確認。

信託基金在採納會計政策方面並不涉及任何關鍵的會計判斷。無論現時對未來作出的假設，或在結算日估計過程中所存在的不明朗因素，皆不足以構成重大風險，導致資產和負債的帳面金額在來年大幅修訂。

# 警察教育及福利信託基金

## 財務報表附註(續)

### 2 主要會計政策(續)

#### (c) 採納新訂／經修訂《香港財務報告準則》

信託基金已採納所有在現屆會計期生效和與信託基金相關的新訂／經修訂《香港財務報告準則》。

信託基金並無提早採納任何現屆會計期仍未生效的修訂、新準則和詮釋。信託基金正就這些修訂、新準則和詮釋在首次採用期間預期會產生的影響進行評估。直至目前為止，信託基金得出的結論為採納該等修訂、新準則和詮釋，不大可能會對信託基金的營運結果及財政狀況構成重大影響。

#### (d) 債務和股本證券投資

非持作買賣用途的債務和股本證券投資歸類為可供出售投資，並以公平值加上交易成本後初始確認。有關投資列入非流動資產，除非信託基金擬在結算日後的 12 個月內出售有關投資，則作別論。信託基金會在每個結算日重新計量公平值，由此產生的任何收益或虧損均在其他全面收益中確認及分別在公平值儲備中累計，但減值虧損和貨幣項目(如債務證券)的匯兌收益與虧損則直接在收支帳目中確認。出售這些投資時，出售投資收款淨額與其帳面值的差額會列入收支帳目中，而以往在公平值儲備中確認的累計收益或虧損會被轉出及在收支帳目中確認。投資的購入及出售採用交易日會計法確認入帳。投資以當時買盤價作價。

當可供出售投資出現減值，已在公平值儲備中確認的累計虧損會從公平值儲備中轉出，並在收支帳目中確認入帳。在收支帳目中確認入帳的累計虧損是以購買成本(扣除任何本金償還和攤銷額)與當時公平值之間的差額，減去以往就該資產在收支帳目中確認的任何減值虧損後計算。

# 警察教育及福利信託基金

## 財務報表附註(續)

### 2 主要會計政策(續)

可供出售股本證券已在收支帳目中確認的減值虧損不會通過收支帳目轉回。這些資產公平值其後的任何增額會在其他全面收益中確認入帳。

如果可供出售債務證券公平值其後的增額客觀上與減值虧損確認後發生的事件有關，則應轉回減值虧損。在此情況下轉回的減值虧損均在收支帳目中確認。

#### (e) 存款證投資

存款證投資歸類為持有至到期投資，以公平值加上交易成本後初始確認，其後採用實際利率法按攤銷成本值入帳。實際利率法是計算金融資產的攤銷成本值，以及攤分在有關期間的利息收入的方法。實際利率是指將金融工具在預計有效期間(或適用的較短期間)內的預計現金收入，折現成該金融資產的帳面淨值所適用的利率。

存款證投資列入非流動資產，但如到期日距離結算日少於 12 個月，則歸類為流動資產。投資的購入及出售採用交易日會計法確認入帳。

#### (f) 應收帳款

應收帳款按公平值初始確認，其後按攤銷成本減去呆壞帳減值虧損後所得數額入帳，但如其折現影響並不重大則除外。在此情況下，應收帳款會按成本減去呆壞帳減值虧損後所得數額入帳。

呆壞帳減值虧損是以金融資產的帳面金額與已折現(如果折現會造成重大的影響)的預計未來現金流量之間的差額計量。

#### (g) 現金及等同現金項目

現金及等同現金項目包括銀行存款和現金、存放於銀行和其他金融機構的活期存款，以及短期高度流動的投資項目。短期高度流動投資是指可隨時轉換為已知金額的現金而所涉及的價值改變風險不大及於購入時於三個月內到期的投資。

## 警察教育及福利信託基金

### 財務報表附註(續)

#### 2 主要會計政策(續)

##### (h) 應付帳款

應付帳款按公平值初始確認，其後按攤銷成本值入帳，但如折現影響並不重大，則按成本入帳。

##### (i) 收入

(i) 捐款收入於收到現金及獲准接受捐款後確認。

(ii) 上市投資的股息收入於信託基金接收款項的權利獲得確認時確認入帳。

(iii) 銀行存款的利息收入、可供出售投資及持有至到期投資按實際利率法累計確認入帳。

##### (j) 助學金

助學金撥備按信託基金的管理委員會於年內授權的助學金款額提撥。

##### (k) 外幣折算

年內的外幣交易按交易日的外幣匯率折算為港幣。以外幣為單位的貨幣資產與負債則按結算日的市場匯率折算為港幣。匯兌盈虧在收支帳目中處理。

# 警察教育及福利信託基金

## 財務報表附註(續)

### 3 可供出售投資

	2016 港元	2015 港元
債務證券(按公平值入帳)		
- 在香港上市	3,578,230	3,673,022
- 在香港以外地方上市	6,275,266	7,947,448
	<u>9,853,496</u>	<u>11,620,470</u>
股本證券(按公平值入帳)		
- 在香港上市	8,378,820	9,542,440
	<u>18,232,316</u>	<u>21,162,910</u>
歸類為：		
- 非流動資產	14,654,086	19,668,438
- 流動資產	3,578,230	1,494,472
	<u>18,232,316</u>	<u>21,162,910</u>

### 4 持有至到期投資

	2016 港元	2015 港元
存款證(按攤銷成本值入帳)	3,198,434	14,245,736
	<u>3,198,434</u>	<u>14,245,736</u>

### 5 銀行存款

	2016 港元	2015 港元
銀行存款：		
無 (2015年：1,580,456圓人民幣)	-	1,974,607
	<u>-</u>	<u>1,974,607</u>

這是存放於銀行原本超過三個月到期的定期存款。



# 警察教育及福利信託基金

## 財務報表附註(續)

### 6 現金及等同現金項目

	2016 港元	2015 港元
原本不超過三個月到期的銀行存款	-	336,797
活期存款	19,758,528	2,374,622
銀行現金	50,993	34,341
現金及等同現金項目	<u>19,809,521</u> =====	<u>2,745,760</u> =====

現金及等同現金項目包括下列並非以信託基金的功能貨幣為單位的款額。

	2016 港元	2015 港元
澳元：		
無 (2015 年： 56,757 澳元)	-	336,797
美元：		
13,162 美元 (2015 年： 13,160 美元)	102,052	102,058
人民幣：		
1,674,811 圓人民幣 (2015 年： 329,129 圓人民幣)	2,008,600	411,211
	<u>2,110,652</u> =====	<u>850,066</u> =====

### 7 信託基金帳戶

於二零一六年三月三十一日，信託基金結餘包括2,430,273港元 (2015年：2,566,253港元) 來自香港賽馬會慈善基金的捐款及從捐款產生的收入，並已扣除助學金；以及1,066,410港元 (2015年：1,105,729港元) 來自悟宿基金會有限公司的捐款及從捐款產生的收入，並已扣除助學金。這兩筆捐款須用作指定用途。

## 警察教育及福利信託基金

### 財務報表附註(續)

#### 8 利息收入

	2016 港元	2015 港元
銀行存款利息收入	48,362	93,307
持有至到期投資利息收入	374,158	221,408
可供出售投資利息收入	357,435	408,754
	<u>779,955</u>	<u>723,469</u>
	=====	=====

#### 9 助學金

助學金是指就香港警務處各級警務人員(包括輔助警察隊)子女的一般教育所提供的書簿津貼和其他津貼。

#### 10 金融風險管理

信託基金的主要金融資產包括可供出售投資、持有至到期投資、應收帳款與現金及等同現金項目。信託基金的金融負債則包括應付帳款。信託基金於本年度並無簽訂任何外匯合同、利率掉期或其他金融工具。信託基金的金融工具所涉及的主要風險載列如下。

##### (a) 信貸風險

信貸風險是指金融工具的一方持有者會因未能履行責任而引致另一方蒙受財務損失的風險。

為了減少銀行存款的信貸風險，所有存款存放在香港信譽良好的持牌銀行。為了減少可供出售投資及持有至到期投資的信貸風險，只有由穆迪或標準普爾評級為投資級別的才會獲考慮。債務證券的投資在結算日的信貸質素，以穆迪或標準普爾的評級較低者為準，分析如下：

# 警察教育及福利信託基金

## 財務報表附註(續)

### 10 金融風險管理(續)

	2016 港元	2015 港元
按信貸評級列示存款證		
P-1 / A-1+至A-1	3,198,434	8,623,477
P-2 / A-2	-	5,622,259
	<u>3,198,434</u>	<u>14,245,736</u>
	=====	=====
按信貸評級列示其他債務證券		
Aaa 至 Aa3 / AAA 至 AA-	608,065	2,120,866
A1 至 A3 / A+ 至 A-	5,686,054	8,280,836
Baa1至Baa3 / BBB+ 至 BBB-	3,559,377	1,218,768
	<u>9,853,496</u>	<u>11,620,470</u>
	=====	=====

至於其他應收帳款，信託基金認為已按情況所需為於結算日預期無法討回的款額作出充足的撥備。

於結算日，本信託基金的信貸風險最高值為資產負債表所列各相關金融資產的帳面金額。

#### (b) 股價風險

股價風險是股票價格變動而引致虧損的風險。信託基金須承受股本證券投資的股價風險(見附註 3)。為了管理有關風險，投資諮詢委員會定期檢討有關投資組合及用以監察信託基金投資活動的投資指引。

如股本證券的市場價格上升／下降 10% (2015年：10%)，信託基金的其他全面收益及公平值儲備結餘會因公平值改變而增加／減少約 838,000 港元 (2015年：954,000 港元)。敏感度分析是根據信託基金於結算日所持有的股本證券的帳面金額而所有其他可變因素假設維持不變的情況下進行。

#### (c) 流動資金風險

為管理流動資金風險，信託基金維持足夠現金及等同現金項目以作營運資金及減低現金流量變化對信託基金之影響。

## 警察教育及福利信託基金

### 財務報表附註（續）

#### 10 金融風險管理(續)

##### (d) 利率風險

##### (i) 承受的利率風險

利率風險指因市場利率變動而引致虧損的風險，利率風險可進一步分類為公平值利率風險及現金流量利率風險。

公平值利率風險指金融工具的價值會因市場利率變動而波動的風險。債務證券投資根據已記錄的風險管理或投資策略制定，信託基金持續地監察公平值利率風險。由於本信託基金所有債務證券及銀行定期存款均按固定利率計息，當市場利率上升，這些證券及存款的公平值便會下跌。不過，由於銀行定期存款及持有至到期存款證均按攤銷成本值列示，其帳面值不受市場利率變動影響。

現金流量利率風險指金融工具的未來現金流量會因市場利率變動而波動的風險。本信託基金無須承受重大的現金流量利率風險，因為浮息金融工具的利息收入並不重大。

##### (ii) 敏感度分析

於二零一六年三月三十一日，在所有其他可變因素維持不變的情況下，估計利率一般上調 50 個基點 (2015 年：50個基點)，將使信託基金的其他全面收益及公平值儲備結餘減少約 79,000港元 (2015 年：123,000港元)，而利率一般下調50個基點 (2015 年：50個基點)，將使其他全面收益及公平值儲備增加約80,000港元 (2015年：125,000 港元)。

釐定以上的敏感度分析時，已假設利率變動已於結算日出現，並已應用於當日存在的附息可供出售投資。上調或下調 50 個基點乃信託基金對利率在直至下個結算日期間的合理可能變動所作的評估。二零一五年的分析按相同基準進行。

## 警察教育及福利信託基金

### 財務報表附註（續）

#### 10 金融風險管理(續)

##### (e) 外幣風險

##### (i) 承受的貨幣風險

於結算日，信託基金持有以美元、人民幣及澳元為單位的金融資產淨值如下：

	2016 港元	2015 港元
美元：		
13,004美元		
(2015年：13,160美元)	100,830	102,058
人民幣：		
8,672,522圓人民幣		
(2015年：16,126,455圓人民幣)	10,400,952	20,148,246
澳元：		
468,656澳元		
(2015年：535,667澳元)	2,787,463	3,178,654
	<u>13,289,245</u>	<u>23,428,958</u>
	=====	=====

由於港幣與美元於窄幅掛鈎，因此信託基金毋須承受與美元有關的重大的外幣風險。由於信託基金並無進行外幣匯率對沖，信託基金的人民幣及澳元金融資產的帳面值代表信託基金所承受的最大外幣匯率風險。

##### (ii) 敏感度分析

於二零一六年三月三十一日，在所有其他可變因素維持不變的情況下，估計人民幣及澳元相對港幣上升／下跌 5% (2015年：5%)，將使信託基金盈餘增加／減少662,000港元 (2015年：1,171,000港元)。

## 警察教育及福利信託基金

### 財務報表附註(續)

#### 10 金融風險管理(續)

##### (f) 金融工具的公平值等級

下表載列於結算日金融工具按公平值定期計量的帳面值，並按《香港財務報告準則》第 13 號「公平值計量」所界定的三個公平值等級分類。

	第一級 港元	2016 第二級 港元	總額 港元
可供出售投資：			
股本證券 - 上市	8,378,820	-	8,378,820
債務證券 - 上市	9,853,496	-	9,853,496
	<u>18,232,316</u>	<u>-</u>	<u>18,232,316</u>

	第一級 港元	2015 第二級 港元	總額 港元
可供出售投資：			
股本證券 - 上市	9,542,440	-	9,542,440
債務證券 - 上市	11,620,470	-	11,620,470
	<u>21,162,910</u>	<u>-</u>	<u>21,162,910</u>

年內，第一級及第二級之間並沒有調撥。

該三級公平值級別的界定如下：

第一級：公平值只使用在計量日相同的金融工具於活躍市場的未經調整報價計算；

第二級：公平值使用未能達到第一級的可觀察輸入值且並不使用重大不可觀察的輸入數據計算。不可觀察輸入值為並無市場數據的輸入值；及

第三級：公平值使用重大不可觀察的輸入值計算。

## 警察教育及福利信託基金

### 財務報表附註(續)

#### 10 金融風險管理(續)

##### (g) 金融資產及負債的公平值

所有金融資產及負債均以公平值或與其相差不大的金額列於資產負債表上。

#### 11 資本管理

信託基金的資本結構包括信託基金帳戶及公平值儲備。在管理資本方面，信託基金的宗旨是：

- (i) 遵行《警察教育及福利信託基金條例》的規定；及
- (ii) 維持充裕的資本基礎，以執行上文附註 1 所述的信託基金目的。

信託基金會因應預計的現金流量需求、未來的財務責任與承擔，透過檢討資本水平來確保其資本足以支付日後的助學金及支出。

警察子女教育信託基金之主要投資清單  
二零一六年三月三十一日

**Major Investment of the Police Children's Education Trust  
as at 31 March 2016**

**I. 定期存款證 Certificate of Deposit**

公司名稱 <i>Name of Company</i>	股數 <i>No. of Shares</i>	市價 <i>Market Price</i> (CNY)	市值 <i>Market Value</i> (HKD)
Agricultural Bank of China Ltd/ HK 0% CD 8Apr16	3,000,000	100.02300%	3,598,726.34
China Construction BK Corp of HK 3.1% CD 29Jun16	6,000,000	99.85600%	7,185,435.71
Ind & Comm BK of China Seoul BR 3.2% CD 30Jun16	2,000,000	99.97200%	2,397,927.61
Bank of China/ Hong Kong 1.3% CD 24Feb17	8,000,000	99.78800%	7,983,040.00
定期存款證總值 Sub-Total :			<b><u>21,165,129.66</u></b>

**II. 債券 Bond**

公司名稱 <i>Name of Company</i>	股數 <i>No. of Shares</i>	市價 <i>Market Price</i> (CNY)	市值 <i>Market Value</i> (HKD)
Baosteel Group Corp Ltd 4.15% 1MAR17	4,000,000	99.25500%	4,761,459.31
BOC Aviation PTE Ltd 4.2% EMTN 5Nov18	1,000,000	98.27800%	1,178,647.67
HKCG Finance Ltd 1.4% EMTN 11APR16	3,000,000	99.85000%	3,592,501.98
Ind & Comm BK of Chi 3.75% 19NOV18 REGS	4,000,000	98.65600%	4,732,724.09
Aust & NZ BKG Grp 5% EMTN 25JUL17	250,000	102.23400%	1,520,162.97
SK Telecom Co Ltd 4.75% EMTN 17NOV17	950,000	101.94400%	5,760,233.15
債券總值 Sub-Total :			<b><u>21,545,729.17</u></b>

**III. 單位基金 Unit Funds**

公司名稱 <i>Name of Company</i>	股數 <i>No. of Shares</i>	市價 <i>Market Price</i> (HKD)	市值 <i>Market Value</i> (HKD)
Hang Seng Investment Management Ltd H share	70,200	90.45000	6,349,590.00
Tracker Fund of Hong Kong	636,500	21.00000	13,366,500.00
單位基金總值 Sub-Total:			<b><u>19,716,090.00</u></b>

主要投資項目總市值 Total Market Value of Major Investments : HKD \$62,426,948.83

**Disclaimer**

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警察教育及福利信託基金之主要投資清單

二零一六年三月三十一日

**Major Investment of the Police Education & Welfare Trust  
as at 31 March 2016**

**I. 定期存款證 Certificate of Deposit**

公司名稱 <i>Name of Company</i>	股數 <i>No. of Shares</i>	市價 <i>Market Price</i> (CNY)	市值 <i>Market Value</i> (HKD)
Agricultural Bank of China Ltd/ HK 0% CD 8Apr16	1,000,000	100.02300%	1,199,575.45
Bank of China / Hong Kong 1.3% CD 24Feb17	2,000,000	(HKD) 99.78800%	(HKD) 1,995,760.00
定期存款證總值 Sub-Total :			<b><u>3,195,335.45</u></b>

**II. 債券 Bond**

公司名稱 <i>Name of Company</i>	股數 <i>No. of Shares</i>	市價 <i>Market Price</i> (CNY)	市值 <i>Market Value</i> (HKD)
Baosteel Group Corp Ltd 4.15% 1MAR17	2,000,000	99.25500%	2,380,729.65
BOC Aviation PTE Ltd 4.2% EMTN 5Nov18	1,000,000	98.27800%	1,178,647.67
HKCG Finance Ltd 1.4% EMTN 11APR16	1,000,000	99.85000%	1,197,500.66
Ind & Comm BK of Chi 3.75% 19NOV18 REGS	2,000,000	98.65600%	2,366,362.04
Aust & NZ BKG Grp 5% EMTN 25JUL17	100,000	(AUD) 102.23400%	(HKD) 608,065.19
SK Telecom Co Ltd 4.75% EMTN 17NOV17	350,000	101.94400%	2,122,191.16
債券總值 Sub -Total :			<b><u>9,853,496.37</u></b>

**III. 單位基金 Unit Funds**

公司名稱 <i>Name of Company</i>	股數 <i>No. of Shares</i>	市價 <i>Market Price</i> (HKD)	市值 <i>Market Value</i> (HKD)
Hang Seng Investment Management Ltd H share	29,600	90.45000	2,677,320.00
Tracker Fund of Hong Kong	271,500	21.00000	5,701,500.00
單位基金總值 Sub-Total:			<b><u>8,378,820.00</u></b>

主要投資項目總市值 Total Market Value of Major Investments : HKD \$21,427,651.82

**Disclaimer**

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