

**REPORT BY THE TRUSTEE**

**of the**

**CUSTOMS AND EXCISE SERVICE**

**CHILDREN'S EDUCATION TRUST FUND**

**FOR THE YEAR**

**1 APRIL 2014 To 31 MARCH 2015**

**Report by the Trustee**  
**of the Customs and Excise Service Children's Education Trust Fund**  
**for the year from 1 April 2014 to 31 March 2015**

INTRODUCTION

The Customs and Excise Service Children's Education Trust Fund Ordinance (the Ordinance) (Cap. 551) came into operation on 21 July 2000.

2. In accordance with section 4 of the Ordinance, the Commissioner of Customs and Excise shall be the Trustee of the Customs and Excise Service Children's Education Trust Fund (the Fund). As required by section 11 of the Ordinance, I take pleasure in presenting to the President and Honourable Members of the Legislative Council a copy of the signed and audited statement of accounts, the Director of Audit's report and my report on administration of the Fund for the year running from 1 April 2014 to 31 March 2015.

3. The Fund was started with a generous donation of \$300,000 granted by the Board of Management of the Chinese Permanent Cemeteries in September 1997. Over the years, individual donors have contributed an additional sum of \$6,550,000 towards operation of the Fund.

OBJECTS OF THE FUND

4. In accordance with section 5 of the Ordinance, the Trustee shall apply the Fund

in such manner and to such extent as the Customs and Excise Service Children's Education Trust Fund Committee (the Committee) may, in its absolute discretion, direct for the following objects :-

- (a) to provide assistance in, and facilities for, the higher education of the children of customs officers;
- (b) to provide assistance in, and facilities for, the education and training of handicapped children of customs officers; and
- (c) such other objects ancillary or incidental to the objects referred to in paragraphs (a) and (b) as the Committee may consider appropriate.

#### THE COMMITTEE AND THE INVESTMENT ADVISORY BOARD

5. The Committee was formed in accordance with section 6 of the Ordinance for management of the Fund. The Financial Secretary appointed Mr. Steve LAU Hon-wah as the Chairman, together with, Mr. Benedict SIN Nga-yan, Mr. Stephen TAN and Ms. LEUNG Shuk-fun as members of the Committee for a period of two years with effect from 1 August 2014. A membership list is at **Appendix I**.

6. The Investment Advisory Board (the Board) was formed in accordance with section 10 of the Ordinance to guide the Trustee on placing of money drawn from the Fund in investments other than those authorized under the Trustee Ordinance (Cap.29). The Financial Secretary appointed Mr. Richard TANG Yat-sun as the Chairman, together with Dr. Francis CHOI Chee-ming, Mr. Howard YEUNG Ping-leung, Mr. Martin LEE Ka-shing and Ms. Wendy YUEN Miu-ling as members of the Board

for a period of two years with effect from 1 August 2014. A membership list is at

## **Appendix II.**

7. Under section 9 of the Ordinance, the Trustee may, subject to prior approval of the Committee, place any money drawn from the Fund in investments authorized under the Trustee Ordinance (Cap.29) or recommended by the Board.

### MEETING

8. With major decisions having made by circulation, the Committee met on 7 November 2014 to review the administration of the Fund.

### GRANTS

9. From 1 April 2014 to 31 March 2015, a total sum of \$534,490 was approved and distributed to 156 eligible applicants, including \$302,000 to 151 eligible applicants in the form of book grant, \$199,990 to 14 eligible applicants in the form of scholarship and \$32,500 to five eligible applicants as special grant for their handicapped children.

Details are as follows :-

	<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
1.	LAM Wing-in	Bachelor of Education and Bachelor of Social Sciences / The University of Hong Kong	2,000	14,285	
2.	YEUNG Chun-hei	Bachelor of Engineering / The University of Hong Kong	2,000	14,285	
3.	CHEUNG Hoi-ni	Bachelor of Arts / The University of Hong Kong	2,000	14,285	

	<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
4.	CHAN Yu-kei	Bachelor of Science / The University of Hong Kong	2,000	14,285	
5.	LEUNG Lok-tung	Master of Philosophy / The University of Hong Kong	2,000		
6.	LEUNG Yuen-ting	Bachelor of Medicine and Bachelor of Surgery / The University of Hong Kong	2,000		
7.	YAU Sin-ki	Bachelor of Arts / The University of Hong Kong	2,000		
8.	MA Hoi-yan, Coco	Bachelor of Nursing / The University of Hong Kong	2,000		
9.	CHO Yu-hin, Jeffrey	Bachelor of Business Administration / The University of Hong Kong	2,000		
10.	OR Ming-ho	Bachelor of Science / The University of Hong Kong	2,000		
11.	LEE Wah-foon, Matthew	Bachelor of Social Sciences / The University of Hong Kong	2,000		
12.	KWOK Hong-ting	Bachelor of Engineering / The University of Hong Kong	2,000		
13.	LIM Ching-fung	Postgraduate Diploma in Education / The University of Hong Kong	2,000		
14.	CHAN Shun-ping	Bachelor of Science / The University of Hong Kong	2,000		
15.	HUNG Chai, Francesca	Bachelor of Social Sciences / The University of Hong Kong	2,000		
16.	TANG Long-him	Bachelor of Arts / The University of Hong Kong School of Professional and Continuing Education	2,000		
17.	YANG Siu-ki	Higher Diploma / The University of Hong Kong SPACE Community College	2,000		
18.	HUI Wing-yee	Associate of Arts / The University of Hong Kong SPACE Community College	2,000		
19.	LIN Wing-hong	Associate of Social Sciences / The University of Hong Kong SPACE Community College	2,000		
20.	LAM Tsoi-man	Associate of Science / The University of Hong Kong SPACE Community College	2,000		
21.	CHEUNG Yuen-ki	Associate of Arts / The University of Hong Kong SPACE Community College	2,000		

	<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
22.	CHU Wai-yan	Higher Diploma / The University of Hong Kong SPACE Po Leung Kuk Community College	2,000		
23.	CHAN Huen-yan	Bachelor of Medicine and Bachelor of Surgery / The Chinese University of Hong Kong	2,000	14,285	
24.	CHIU Hang-yin, Cheryl	Bachelor of Arts / The Chinese University of Hong Kong	2,000	14,285	
25.	WONG Man-ting, Eugenia	Bachelor of Business Administration / The Chinese University of Hong Kong	2,000	14,285	
26.	CHAN Chiu-sheung	Bachelor of Science / The Chinese University of Hong Kong	2,000	14,285	
27.	TANG Man-yin	Bachelor of Arts / The Chinese University of Hong Kong	2,000	14,285	
28.	WONG Chung-yan	Bachelor of Social Science / The Chinese University of Hong Kong	2,000	14,285	
29.	CHAN Po-win	Bachelor of Education / The Chinese University of Hong Kong	2,000	14,285	
30.	LI, Christopher Tsz- chung	Bachelor of Social Science / The Chinese University of Hong Kong	2,000		
31.	HON Ho-kong	Bachelor of Arts / The Chinese University of Hong Kong	2,000		
32.	HO Ka-man	Bachelor of Engineering / The Chinese University of Hong Kong	2,000		
33.	TAM Chun-hin	Bachelor of Nursing / The Chinese University of Hong Kong	2,000		
34.	KWAN Hoi-lam	Bachelor of Medicine and Bachelor of Surgery / The Chinese University of Hong Kong	2,000		
35.	WONG Suet-wing	Bachelor of Medicine and Bachelor of Surgery / The Chinese University of Hong Kong	2,000		
36.	YUAN Hai-chian	Bachelor of Nursing / The Chinese University of Hong Kong	2,000		
37.	IP Man-hei	Bachelor of Engineering / The Chinese University of Hong Kong	2,000		
38.	LIU Wing-sum	Bachelor of Education / The Chinese University of Hong Kong	2,000		

	<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
39.	CHEUNG Tsz-lam	Bachelor of Medicine and Bachelor of Surgery / The Chinese University of Hong Kong	2,000		
40.	YIM Yat-long	Bachelor of Science / The Chinese University of Hong Kong	2,000		
41.	WONG Yin-hang	Bachelor of Nursing / The Chinese University of Hong Kong	2,000		
42.	LEE Ming-kit	Bachelor of Engineering / The Chinese University of Hong Kong	2,000		
43.	CHAN Ngo-fung	Bachelor of Science / The Chinese University of Hong Kong	2,000		
44.	LEUNG Cheuk-sze	Higher Diploma / The Chinese University of Hong Kong School of Continuing and Professional Studies	2,000		
45.	LAI Tsz-ching	Higher Diploma / The Chinese University of Hong Kong School of Continuing and Professional Studies	2,000		
46.	CHAN Hok-yi	Higher Diploma / The Chinese University of Hong Kong School of Continuing and Professional Studies	2,000		
47.	LEUNG Kin-long	Bachelor of Engineering and Bachelor of Business Administration / The Hong Kong Polytechnic University	2,000		
48.	MA Chun-wing, Kyle	Bachelor of Engineering / The Hong Kong Polytechnic University	2,000		
49.	SHUM Cheuk-laam	Bachelor of Engineering / The Hong Kong Polytechnic University	2,000		
50.	CHAU Cho-kiu	Bachelor of Science / The Hong Kong Polytechnic University	2,000		
51.	HO Ka-ming	Bachelor of Science / The Hong Kong Polytechnic University	2,000		
52.	LAI Ho-yan	Bachelor of Business Administration / The Hong Kong Polytechnic University	2,000		
53.	FUNG Wing-man, Erica	Bachelor of Science / The Hong Kong Polytechnic University	2,000		

	<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
54.	LI Ho-yan	Higher Diploma / The Hong Kong Polytechnic University	2,000		
55.	LI Long-ting	Bachelor of Engineering / The Hong Kong Polytechnic University	2,000		
56.	CHAN Tsz-wing	Bachelor of Science / The Hong Kong Polytechnic University	2,000		
57.	LAM Leung-man	Bachelor of Science / The Hong Kong Polytechnic University	2,000		
58.	LUK Tsz-ching	Bachelor of Science / The Hong Kong Polytechnic University	2,000		
59.	WONG Pui-ka, April	Bachelor of Science / The Hong Kong Polytechnic University	2,000		
60.	LAM Ho, Martin	Bachelor of Engineering / The Hong Kong Polytechnic University	2,000		
61.	CHAN Shun-cheung	Bachelor of Arts / The Hong Kong Polytechnic University School of Professional Education and Executive Development	2,000		
62.	LAU Carrie	Associate in Applied Social Sciences / The Hong Kong Polytechnic University Community College	2,000		
63.	YEUNG Chun-hin	Associate in Business / The Hong Kong Polytechnic University Community College	2,000		
64.	CHAU Tsz-wing	Associate in Applied Social Sciences / The Hong Kong Polytechnic University Community College	2,000		
65.	LAU Tsz-kwan	Associate in Applied Social Sciences / The Hong Kong Polytechnic University Community College	2,000		
66.	LAU Tsz-ho	Associate of Science / The Hong Kong Polytechnic University Community College	2,000		
67.	CHU Ho-yin	Associate in Business / The Hong Kong Polytechnic University Community College	2,000		
68.	LEUNG King-chun	Associate in Engineering / The Hong Kong Polytechnic University Community College	2,000		
69.	CHOI Ho-wing	Bachelor of Arts / City University of Hong Kong	2,000	14,285	
70.	CHAN Long-hei	Bachelor of Business Administration / City University of Hong Kong	2,000	14,285	



	<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
71.	HO Long-chung	Associate of Science / City University of Hong Kong	2,000		
72.	TANG Ho-ming	Bachelor of Business Administration / City University of Hong Kong	2,000		
73.	CHENG Yee-ki, Imelda	Bachelor of Social Sciences / City University of Hong Kong	2,000		
74.	TSE Tsoi-an	Bachelor of Science / City University of Hong Kong	2,000		
75.	TO Pui-hung	Bachelor of Social Sciences / City University of Hong Kong	2,000		
76.	FAN Hiu-fung	Bachelor of Social Sciences / City University of Hong Kong	2,000		
77.	CHAN Po-ki	Bachelor of Social Sciences / City University of Hong Kong	2,000		
78.	HO Yin-cheung	Bachelor of Engineering / City University of Hong Kong	2,000		
79.	LAU Tsz-ching	Bachelor of Arts / City University of Hong Kong	2,000		
80.	AU YEUNG Wai-shan	Bachelor of Social Sciences / City University of Hong Kong	2,000		
81.	WONG Sze-wai	Bachelor of Arts / City University of Hong Kong	2,000		
82.	NG Yin-ho	Bachelor of Engineering / City University of Hong Kong	2,000		
83.	CHICK Yue-hin, Matthew	Bachelor of Arts / City University of Hong Kong	2,000		
84.	LEUNG Ka-wing, Karen	Bachelor of Arts / City University of Hong Kong	2,000		
85.	LAU Tat-kwan	Bachelor of Science / City University of Hong Kong	2,000		
86.	LOK Hui-ting	Bachelor of Social Sciences / City University of Hong Kong	2,000		
87.	WONG Long-hei	Bachelor of Science / City University of Hong Kong	2,000		
88.	TSE Howell	Bachelor of Business Administration / City University of Hong Kong	2,000		

	<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
89.	CHAN Fat-tim	Bachelor of Engineering / City University of Hong Kong	2,000		
90.	KONG Cheuk-hin	Advanced Diploma / City University of Hong Kong School of Continuing and Professional Education	2,000		
91.	LOCK Tin-yan	Associate of Arts / Community College of City University of Hong Kong	2,000		
92.	JIM Wing-tung	Associate of Business Administration / Community College of City University of Hong Kong	2,000		
93.	NG Wing-tung	Associate of Arts / Community College of City University of Hong Kong	2,000		
94.	HUNG Nok-ye	Associate of Business Administration / Community College of City University of Hong Kong	2,000		
95.	KWOK Ching-yan	Associate of Science / Community College of City University of Hong Kong	2,000		
96.	CHAN Tsz-ying	Associate of Social Science / Community College of City University of Hong Kong	2,000		
97.	CHAN Ka-man, Iris	Associate of Social Science / Community College of City University of Hong Kong	2,000		
98.	LI Chak-yin, Michael	Bachelor of Business Administration / Hong Kong University of Science & Technology	2,000	14,285	
99.	CHAN Yin-hong	Bachelor of Engineering / Hong Kong University of Science & Technology	2,000		
100.	IP Chu-wah, Gary	Bachelor of Business Administration / Hong Kong University of Science & Technology	2,000		
101.	KAN Long-ting	Bachelor of Engineering / Hong Kong University of Science & Technology	2,000		
102.	CHU Kin-leung	Master of Philosophy / Hong Kong University of Science & Technology	2,000		
103.	LEUNG Yue-kiu	Bachelor of Science / Hong Kong University of Science & Technology	2,000		
104.	YU Chun-hang	Bachelor of Engineering / Hong Kong University of Science & Technology	2,000		

	<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
105.	LAM Chin-kiu, Phoebe	Bachelor of Business Administration / Hong Kong Baptist University	2,000		
106.	CHEUNG Wing-kei	Bachelor of Social Sciences / Hong Kong Baptist University College of International Education	2,000		
107.	NG Yuen-nam	Bachelor of Commerce / Hong Kong Baptist University College of International Education	2,000		
108.	HON Shing-yin	Bachelor of Arts / Hong Kong Baptist University	2,000		
109.	YUEN Sze-ngai	Bachelor of Science / Hong Kong Baptist University	2,000		
110.	HO Chun-yee, Jadis	Bachelor of Arts / Hong Kong Baptist University	2,000		
111.	SIU Long-ying	Bachelor of Social Sciences / Hong Kong Baptist University	2,000		
112.	YIP Yee-ting	Associate of Arts / Hong Kong Baptist University College of International Education	2,000		
113.	CHAN Hau-ling	Associate of Arts / Hong Kong Baptist University College of International Education	2,000		
114.	LEE Tsz-lun	Associate of Science / Hong Kong Baptist University College of International Education	2,000		
115.	LO Wan-yin	Associate of Arts / Hong Kong Baptist University College of International Education	2,000		
116.	HO Ching-yin	Associate of Business Administration / Hong Kong Baptist University College of International Education	2,000		
117.	HO Hoi-man	Bachelor of Business Administration / The Open University of Hong Kong	2,000		
118.	CHAN Tsz-ki	Bachelor of Business Administration / The Open University of Hong Kong	2,000		
119.	LEUNG Ching-shuen, Fiona	Bachelor of Business Administration / The Open University of Hong Kong	2,000		
120.	LEUNG Lok-ki	Bachelor of Business Administration / The Open University of Hong Kong	2,000		
121.	HUI Wing	Bachelor of Business Administration / The Open University of Hong Kong	2,000		
122.	HO Hoi-ki	Bachelor of Arts / The Open University of Hong Kong	2,000		

	<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
123.	NG Yuen-ching, Ophilia	Bachelor of Business Administration / The Open University of Hong Kong	2,000		
124.	KWONG Shu-leung	Higher Diploma / Li Ka Shing Institute of Professional and Continuing Education, OUHK	2,000		
125.	WONG Wai-tung	Bachelor of Arts / Hong Kong Shue Yan University	2,000		
126.	TAM Man-wai	Bachelor of Arts / Hong Kong Shue Yan University	2,000		
127.	TAM Wai-ming	Bachelor of Commerce / Hong Kong Shue Yan University	2,000		
128.	LAU Sui-yiu	Bachelor of Business Administration / Hong Kong Shue Yan University	2,000		
129.	LEE Lok-ching	Bachelor of Business Administration / Hong Kong Shue Yan University	2,000		
130.	CHING Ching-man	Bachelor of Social Work / Hong Kong Shue Yan University	2,000		
131.	CHEUNG Cheuk-kwan	Bachelor of Arts / Hong Kong Shue Yan University	2,000		
132.	LAM Hiu-tung	Bachelor of Arts / Hong Kong Shue Yan University	2,000		
133.	HO Ching-yin	Bachelor of Business Administration / Hang Seng Management College	2,000		
134.	WONG Wan-yea	Bachelor of Business Administration / Hang Seng Management College	2,000		
135.	CHANG Tsz-shan	Bachelor of Management Science and Information Management / Hang Seng Management College	2,000		
136.	LIU Pok-man	Bachelor of Business Administration / Hang Seng Management College	2,000		
137.	LEUNG Wai-chin, Vivian	Bachelor of Business Administration / Hang Seng Management College	2,000		
138.	WAN Yu-ching, Janice	Bachelor of Arts / Lingnan University	2,000		
139.	YEUNG Ka-man	Bachelor of Arts / Lingnan University	2,000		
140.	CHUNG Yuen-ching, Della	Bachelor of Arts / Lingnan University	2,000		
141.	LEE Tsz-fung	Higher Diploma / Hong Kong Design Institute	2,000		

<u>Name of Child</u>	<u>Curriculum / Education Institution</u>	<u>Book Grant</u> <u>(\$)</u>	<u>Scholarship</u> <u>(\$)</u>	<u>Special Grant</u> <u>(\$)</u>
142. MAK Hau-yan	Higher Diploma / Hong Kong Design Institute	2,000		
143. HUI Wai	Higher Diploma / Hong Kong Design Institute	2,000		
144. TAM Wing-kei	Bachelor of Education / The Hong Kong Institute of Education	2,000		
145. HO Pak-wing	Bachelor of Music in Education / The Hong Kong Institute of Education	2,000		
146. HO Kin-long	Bachelor of Commerce / Chu Hai College of Higher Education	2,000		
147. LEE Wing-lam, Ada	Bachelor of Arts / Chu Hai College of Higher Education	2,000		
148. WONG Hong-ni, Carrie	Bachelor of Arts / Centennial College	2,000		
149. LIN Chung-ying	Bachelor of Arts / Centennial College	2,000		
150. LUI Sin-man	Bachelor of Health Science / Tung Wah College	2,000		
151. Muzamil Nadia	Higher Diploma / Hong Kong College of Technology	2,000		
152. TSANG Tsz-sin	Mary Rose Shool			6,500
153. KONG Ho-him	Kong Chi Morninghill School, Tsui Lam			6,500
154. LAM Wun-chit	Precious Blood Primary School (Wah Fu Estate)			6,500
155. LEUNG Chin-fau, Charlotte	SAHK Ko Fook lu Memorial School			6,500
156. HO Shek-hei	Baptist Lui Ming Choi Primary School			6,500

10. Balance of the Fund as at 31 March 2015 amounted to \$4,554,542 with \$6,850,000 in the capital account and an accumulated deficit of \$2,295,458.

### AUDITOR

11. The Director of Audit was appointed as auditor of the Fund in accordance with section 11(4) of the Ordinance. The signed and audited statement of accounts as well as the Director's report are at **Appendix III**.

## VOTE OF THANKS

12. I would like to thank those serving on the Committee and the Board for steering the Fund through yet another year of successful operation. My gratitude also goes to the Director of Audit for carrying out a thorough examination on financial statements of the Fund.

(Roy Tang)  
Commissioner of Customs and Excise  
Trustee,  
Customs and Excise Service Children's  
Education Trust Fund

30 September 2015

Customs and Excise Service Children's Education Trust Fund Committee

(as at 31 March 2015)

- Chairman : Mr. Steve LAU Hon-wah, S.B.S., J.P.  
(appointed by the Financial Secretary)
- Members : Commissioner of Customs and Excise  
  
Mr. Clement CHEUNG Wan-ching, J.P.  
  
Officer in charge of Service Welfare Division in the Customs and  
Excise Department  
  
Mr. CHUI Chi-fai  
  
Representative of the Customs Officers  
  
Ms. LEUNG Shuk-fun  
(appointed by the Financial Secretary)  
  
Mr. Benedict SIN Nga-yan  
(appointed by the Financial Secretary)  
  
Mr. Stephen TAN  
(appointed by the Financial Secretary)
- Honorary Treasurer : Ms. Nancy HO King-chi, Senior Treasury Accountant  
(Customs and Excise Department)
- Honorary Secretary : Ms. Phoenix LEE Wai-yin, Executive Officer (Staff Relations)  
(Customs and Excise Department)

Customs and Excise Service Children's Education Trust Fund

Investment Advisory Board

(as at 31 March 2015)

Chairman : Mr. Richard TANG Yat-sun, B.B.S., J.P.  
(appointed by the Financial Secretary)

Members : Dr. Francis CHOI Chee-ming, G.B.S., J.P.  
(appointed by the Financial Secretary)

Mr. Howard YEUNG Ping-leung  
(appointed by the Financial Secretary)

Mr. Martin LEE Ka-shing  
(appointed by the Financial Secretary)

Ms. Wendy YUEN Miu-ling  
(appointed by the Financial Secretary)



Customs and Excise Service  
Children's Education Trust Fund

Financial Statements for the year ended 31 march 2015

# **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 Customs and Excise Service Children's Education Trust Fund set out on pages 3 to 11, which comprise the balance sheet as at 31 March 2015, and the income and expenditure account, 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 Customs and Excise's Responsibility for the Financial Statements**

The Commissioner of Customs and Excise is responsible for the preparation of financial statements that give a true and fair view in accordance with section 11(1) to (3) of the Customs and Excise Service Children's Education Trust Fund Ordinance (Cap. 551) and Hong Kong Financial Reporting Standards, and for such internal control as the Commissioner of Customs and Excise 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 11(4) of the Customs and Excise Service Children's Education Trust Fund 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 Customs and Excise, 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 Customs and Excise Service Children's Education Trust Fund as at 31 March 2015, 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 11(1) to (3) of the Customs and Excise Service Children's Education Trust Fund Ordinance.



Frederick T C WONG  
Principal Auditor  
for Director of Audit

26 June 2015

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

**Customs and Excise Service Children's Education Trust Fund**  
**Balance Sheet as at 31 March 2015**

	<b>2015</b>	<b>2014</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Current assets</b>		
Accounts receivable	53,977	43,371
Bank deposits	4,496,971	4,667,976
Cash at bank	3,594	5,847
	<u>4,554,542</u>	<u>4,717,194</u>
 <b>Accumulated fund</b>		
Capital	6,850,000	6,550,000
Accumulated deficit	(2,295,458)	(1,832,806)
	<u>4,554,542</u>	<u>4,717,194</u>

The accompanying notes 1 to 6 form part of these financial statements.



(Clement CHEUNG Wan-ching)  
 Commissioner of Customs and Excise  
 Trustee  
 Customs and Excise Service Children's  
 Education Trust Fund  
 26 June 2015



(LAU Hon-wah, Steve)  
 Chairman  
 Customs and Excise Service Children's  
 Education Trust Fund Committee  
 26 June 2015

**Customs and Excise Service Children's Education Trust Fund**  
**Income and Expenditure Account**  
**For the year ended 31 March 2015**

	<b>2015</b>	<b>2014</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Income</b>		
Bank interest	71,786	53,821
Other income	-	2,000
Exchange gains	52	-
	71,838	55,821
 <b>Expenditure</b>		
Special education grant/Book grant/ Scholarship to Service members	(534,490)	(393,996)
Exchange losses	-	(30,046)
	(534,490)	(424,042)
<b>Deficit for the year</b>	(462,652)	(368,221)
Other comprehensive income	-	-
<b>Total comprehensive expense for the year</b>	(462,652)	(368,221)

The accompanying notes 1 to 6 form part of these financial statements.

**Customs and Excise Service Children's Education Trust Fund**  
**Statement of Changes in Equity**  
**For the year ended 31 March 2015**

	<b>Capital HK\$</b>	<b>Accumulated deficit HK\$</b>	<b>Total HK\$</b>
Balance at 1 April 2013	6,250,000	(1,464,585)	4,785,415
Donations received during 2013-14	300,000	-	300,000
Total comprehensive expense for 2013-14	-	(368,221)	(368,221)
Balance at 31 March 2014	<u>6,550,000</u>	<u>(1,832,806)</u>	<u>4,717,194</u>
Donations received during 2014-15	300,000	-	300,000
Total comprehensive expense for 2014-15	-	(462,652)	(462,652)
Balance at 31 March 2015	<u><u>6,850,000</u></u>	<u><u>(2,295,458)</u></u>	<u><u>4,554,542</u></u>

The accompanying notes 1 to 6 form part of these financial statements.

**Customs and Excise Service Children's Education Trust Fund**  
**Statement of Cash Flows**  
**For the year ended 31 March 2015**

	2015	2014
	HK\$	HK\$
<b>Cash flows from operating activities</b>		
Deficit for the year	(462,652)	(368,221)
Bank interest	(71,786)	(53,821)
Exchange (gains) / losses	(52)	30,046
<b>Net cash used in operating activities</b>	<u>(534,490)</u>	<u>(391,996)</u>
 <b>Cash flows from investing activities</b>		
Bank interest received	60,761	34,169
Net decrease in bank deposits with original maturity over three months	<u>171,476</u>	<u>55,931</u>
<b>Net cash from investing activities</b>	<u>232,237</u>	<u>90,100</u>
 <b>Cash flows from financing activities</b>		
Donations received	<u>300,000</u>	<u>300,000</u>
<b>Net cash from financing activities</b>	<u>300,000</u>	<u>300,000</u>
 <b>Net decrease in cash and cash equivalents</b>	(2,253)	(1,896)
 <b>Cash and cash equivalents at beginning of year</b>	<u>5,847</u>	<u>7,743</u>
 <b>Cash and cash equivalents at end of year</b>	<u><u>3,594</u></u>	<u><u>5,847</u></u>
 <b>Analysis of the balance of cash and cash equivalents</b>		
Cash at bank	<u><u>3,594</u></u>	<u><u>5,847</u></u>

The accompanying notes 1 to 6 form part of these financial statements.

**Customs and Excise Service Children's Education Trust Fund**  
**Notes to the Financial Statements**

**1. General**

The Customs and Excise Service Children's Education Trust Fund (the Fund) was established mainly to provide assistance in, and facilities for, the higher education of the children of customs officers and for the education and training of handicapped children of customs officers in accordance with section 5 of the Customs and Excise Service Children's Education Trust Fund Ordinance (Cap. 551). The address of the Fund's principal place of business is 29<sup>th</sup> and 31<sup>st</sup> floors of the Customs Headquarters Building, 222 Java Road, North Point, Hong Kong.

**2. Significant accounting policies**

(a) Statement of compliance

The financial statements of the Fund have been prepared in accordance with section 11 (1) to (3) of the Customs and Excise Service Children's Education Trust Fund 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.

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 Fund'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.

(c) Adoption of new / revised HKFRSs

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

The Fund has not early adopted any amendments, new standards and interpretations which are not yet effective for the current accounting period. The Fund is in the process of making an assessment of what the impact of these new 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 Fund's result of operations and financial position.

(d) Grants

Grants are recognised in the income and expenditure account when they have been approved by the Customs and Excise Service Children's Education Trust Fund Committee.

(e) Donations

Approved donations are credited to the accumulated fund – capital account on actual receipt.

(f) Foreign currency translation

Hong Kong dollar is the currency of the primary economic environment in which the Fund operates. 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 exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income and expenditure account.

(g) Revenue recognition

Bank interest is recognised as it accrues 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.

(h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, having been within three months of maturity when acquired.

### **3. Financial risk management**

The Fund's major financial instruments include bank deposits and cash at bank. The main risks associated with these 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. The Fund's maximum exposure to credit risk at the balance sheet date in relation to the financial instruments is the carrying amount of these assets as stated in the balance sheet. The Fund limits its exposure to credit risk by transacting with reputable licensed banks in Hong Kong.

(b) Interest rate risk

Interest rate risk is 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 a financial instrument will fluctuate because of changes in market interest rates. Since the Fund's bank deposits bear interest at fixed rates, their fair value will fall when market interest rates increase. However, as they are stated at amortised cost, changes in market interest rates will not affect their carrying amounts and the Fund's deficit and equity.

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 Fund is not exposed to cash flow interest rate risk as it has no financial instruments bearing interest at floating rates.

(c) Liquidity risk

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

(d) Foreign currency risk

(i) Exposure to currency risk

The Fund maintained net financial instruments denominated in US dollar and Renminbi at a total of US\$223,078 (2014: US\$227,270) and CNY1,408,045 (2014: CNY 1,326,598) respectively at the balance sheet date. As Hong Kong dollar is pegged to the US dollar within a narrow range, it is considered that the Fund had no significant exposure to foreign exchange risk relating to this currency. Since no foreign currency rate hedging is made by the Fund, the carrying amounts of the financial instruments in Renminbi represent the maximum exposure of the Fund to foreign currency risk in respect of Renminbi.

(ii) Sensitivity analysis

It was estimated that as at 31 March 2015, should the Renminbi strengthen/weaken by 5% (2014: 5%) against the Hong Kong dollar, with all other variables being held constant, the deficit of the Fund would decrease/increase by HK\$88,000 (2014: HK\$83,000).

#### **4. Capital management**

The capital structure of the Fund consists of the capital and accumulated deficit. The Fund's objectives when managing capital are:

- to comply with the Customs and Excise Service Children's Education Trust Fund Ordinance; and

- to maintain a strong capital base for carrying out the purpose of the Fund as stated in note 1 above.

The Fund manages its capital to ensure that its level is sufficient to fund future scholarships and grants, taking into account its projected cash flow requirements, future financial obligations and commitments.

#### **5. Cost of administering the Fund**

The cost of administering the Fund has been borne by the Government of the Hong Kong Special Administrative Region in accordance with section 12 of the Customs and Excise Service Children's Education Trust Fund Ordinance.

#### **6. Fair values of financial assets**

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