

# **LI PO CHUN CHARITABLE TRUST FUND**

## **Report of the Li Po Chun Charitable Trust Fund Committee on the administration of the Fund for the year ended 31 August 2017**

The Li Po Chun Charitable Trust Fund (the Fund) was established under the Li Po Chun Charitable Trust Fund Ordinance (Chapter 1110). The Fund is to be applied for provision of assistance for educational purposes and for payment to the Director of Social Welfare for the relief of distress in cases for which no adequate assistance is available from other sources. The Fund was established with the shares donated by the late Mr Li Po-chun.

2. The Fund is managed by the Li Po Chun Charitable Trust Fund Committee constituted under Section 5 of the Li Po Chun Charitable Trust Fund Ordinance. The membership list of the Committee for the year under report is at Appendix I. The secretariat and accounting work of the Fund is undertaken by the Trust Funds and Temples Joint Secretariat. The Director of Audit is the auditor of the Fund's accounts.

3. During the reporting period, the total income of the Fund was HK\$4.1 million and the total expenditure was HK\$3.5 million. The Fund recorded a surplus of HK\$0.6 million for 2016-17. As at 31 August 2017, the capital of the Fund was HK\$55.4 million and the accumulated surplus was HK\$45 million. The audited Financial Statements of the Fund for the year ended 31 August 2017 is at Appendix II.

4. In 2016-17, 154 scholarship awards in a total of HK\$1.2 million were granted and details are set out at Appendix III. In addition, social relief payments in a total of HK\$1.5 million were disbursed through the Director of Social Welfare, with details set out at Appendix IV.



Lau Kong-wah

Secretary for Home Affairs  
Chairman

Li Po Chun Charitable Trust Fund Committee

30 January 2018

**LI PO CHUN CHARITABLE TRUST FUND**

**Membership of the Li Po Chun Charitable Trust Fund Committee  
(1.9.2016 – 31.8.2017)**

Secretary for Home Affairs (Chairman and ex officio)

Mr LI Sui-chee, Alwin

Director of Social Welfare

Head, Working Family and Student Financial Assistance Agency

Mr FUNG Wei-lung, Brian

Ms LEE Kam-ha, Melaine



## Li Po Chun Charitable Trust Fund

Financial statements for the year ended 31 August 2017

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



**Audit Commission**

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

## **Independent Auditor's Report To the Legislative Council**

### ***Opinion***

I certify that I have audited the financial statements of the Li Po Chun Charitable Trust Fund set out on pages 4 to 17, which comprise the balance sheet as at 31 August 2017, 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 notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the financial position of the Li Po Chun Charitable Trust Fund as at 31 August 2017, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in accordance with section 11(1) of the Li Po Chun Charitable Trust Fund Ordinance (Cap. 1110).

### ***Basis for opinion***

I conducted my audit in accordance with section 11(2) of the Li Po Chun Charitable Trust Fund Ordinance and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I am independent of the Li Po Chun Charitable Trust Fund in accordance with those standards, and I have fulfilled my other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### ***Responsibilities of the Secretary for Home Affairs Incorporated for the financial statements***

The Secretary for Home Affairs Incorporated is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and section 11(1) of the Li Po Chun Charitable Trust Fund Ordinance, and for such



internal control as the Secretary for Home Affairs Incorporated determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary for Home Affairs Incorporated is responsible for assessing the Li Po Chun Charitable Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

*Auditor's responsibilities for the audit of the financial statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit Commission auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Li Po Chun Charitable Trust Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary for Home Affairs Incorporated;
- conclude on the appropriateness of the Secretary for Home Affairs Incorporated's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Li Po Chun Charitable Trust Fund's ability to

continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Li Po Chun Charitable Trust Fund to cease to continue as a going concern; and

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



LIANG Kar-lun, Ken  
Principal Auditor  
for Director of Audit

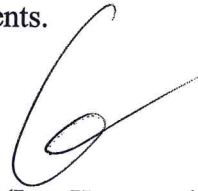
30 January 2018

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

**LI PO CHUN CHARITABLE TRUST FUND**  
**BALANCE SHEET AS AT 31 AUGUST 2017**

	Note	2017 HK\$	2016 HK\$
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets	3	78,601,360	67,570,154
		-----	-----
<b>CURRENT ASSETS</b>			
Available-for-sale financial assets	3	2,748,136	-
Accounts receivable		294,698	875,657
Prepayments		-	770,000
Time deposits		15,044,172	6,509,035
Cash and cash equivalents	4	8,787,502	17,659,746
		-----	-----
		26,874,508	25,814,438
<b>CURRENT LIABILITIES</b>			
Provision for staff gratuity	5	(60,713)	(101,876)
Provision for untaken leave		(5,226)	(7,290)
Accounts payable		(19,835)	(102,487)
		-----	-----
		(85,774)	(211,653)
<b>NET CURRENT ASSETS</b>			
		-----	-----
		26,788,734	25,602,785
		-----	-----
		105,390,094	93,172,939
<b>ACCUMULATED FUND</b>			
Capital		55,441,378	55,441,378
Accumulated surplus		45,012,744	44,410,167
Investment revaluation reserve		4,935,972	(6,678,606)
		-----	-----
		105,390,094	93,172,939
		-----	-----

The accompanying notes 1 to 9 form part of these financial statements.

  
 (Lau Kong-wah)  
 Secretary for Home Affairs Incorporated  
 Trustee  
 Li Po Chun Charitable Trust Fund  
 30 January 2018

**LI PO CHUN CHARITABLE TRUST FUND****INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Note</b>	<b>2017 HK\$</b>	<b>2016 HK\$</b>
<b>INCOME</b>			
Dividend		3,011,931	3,085,607
Interest	6	330,306	474,623
Gains on disposal of available-for-sale financial assets		609,912	1,178,043
Exchange gain		100,687	-
Other income		50,000	15,539
		<u>4,102,836</u>	<u>4,753,812</u>
<b>EXPENDITURE</b>			
Scholarship awards		(1,218,501)	(1,835,900)
Social relief grants		(1,538,721)	(1,742,695)
Exchange loss		-	(553,409)
Staff costs		(742,540)	(860,101)
Miscellaneous		(497)	(3)
		<u>(3,500,259)</u>	<u>(4,992,108)</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u><u>602,577</u></u>	<u><u>(238,296)</u></u>

The accompanying notes 1 to 9 form part of these financial statements.



**LI PO CHUN CHARITABLE TRUST FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>2017 HK\$</b>	<b>2016 HK\$</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	602,577	(238,296)
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that may be reclassified subsequently to surplus or deficit :		
Available-for-sale financial assets		
Fair value changes on revaluation	11,965,979	761,214
Reclassification adjustment for amounts released from investment revaluation reserve upon disposal	(351,401)	(439,674)
	11,614,578	321,540
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	12,217,155	83,244

The accompanying notes 1 to 9 form part of these financial statements.

**LI PO CHUN CHARITABLE TRUST FUND**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Capital HK\$</b>	<b>Accumulated Surplus HK\$</b>	<b>Investment Revaluation Reserve HK\$</b>	<b>Total HK\$</b>
Balance at 1 September 2015	55,441,378	44,648,463	(7,000,146)	93,089,695
Total comprehensive (loss)/income for 2015-16	-	(238,296)	321,540	83,244
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 September 2016	55,441,378	44,410,167	(6,678,606)	93,172,939
Total comprehensive income for 2016-17	-	602,577	11,614,578	12,217,155
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 August 2017	55,441,378	45,012,744	4,935,972	105,390,094
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes 1 to 9 form part of these financial statements.

**LI PO CHUN CHARITABLE TRUST FUND**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 HK\$	2016 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(Deficit) for the year		602,577	(238,296)
Adjustments for :			
Dividend income		(3,011,931)	(3,085,607)
Interest income		(330,306)	(474,623)
Gains on disposal of available-for-sale financial assets		(609,912)	(1,178,043)
Exchange (gain)/loss		(128,787)	465,450
Decrease in accounts receivable		457,338	107,523
Decrease in prepayments		770,000	330,000
(Decrease) /Increase in provision for staff gratuity		(41,163)	41,991
(Decrease) /Increase in provision for untaken leave		(2,064)	2,828
Decrease in accounts payable		(82,652)	(144,557)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<u>(2,376,900)</u>	<u>(4,173,334)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of available-for-sale financial assets		(5,938,262)	(12,558,971)
Proceeds from disposal of available-for-sale financial assets		4,376,811	23,939,961
Net increase in time deposit with original maturity over three months		(8,447,669)	(1,971,556)
Dividend received		3,157,658	3,072,868
Interest received		314,693	572,440
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>		<u>(6,536,769)</u>	<u>13,054,742</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(8,913,669)	8,881,408
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		17,659,746	8,964,151
Effect of exchange rate changes on cash and cash equivalents		41,425	(185,813)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	4	<u><u>8,787,502</u></u>	<u><u>17,659,746</u></u>

The accompanying notes 1 to 9 form part of these financial statements.

**LI PO CHUN CHARITABLE TRUST FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL**

The Li Po Chun Charitable Trust Fund (the Fund) provides assistance for:

- (a) educational purposes, including the establishment or endowment of educational institutions in Hong Kong; and
- (b) the relief of distress in cases for which no adequate assistance is available from other sources,

in accordance with section 6(1) of the Li Po Chun Charitable Trust Fund Ordinance (Cap. 1110).

The address of the Fund's principal place of business is 34<sup>th</sup> Floor, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with section 11(1) of the Li Po Chun Charitable 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 except that available-for-sale financial assets are stated at fair value as explained in the accounting policies 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.



**(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 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) Available-for-sale financial assets**

The Fund's available-for-sale financial assets are classified as non-current assets unless the Li Po Chun Charitable Trust Fund Committee (the Committee) intends to dispose of the investments within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date on which the Fund is committed to the transactions. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. At each balance sheet date, the fair value is re-measured and any unrealised holding gain or loss arising from the change in fair value is recognised in other comprehensive income and accumulated separately in the investment revaluation reserve.

When available-for-sale financial assets are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying amount, as well as the accumulated fair value adjustments released from the investment revaluation reserve to the income and expenditure account.

The fair values of quoted investments are based on current bid-prices.

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. The cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income and expenditure account – is removed from the investment revaluation reserve and recognised in the income and expenditure account. 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 for debt securities are recognised in the income and expenditure account. Impairment losses for equity securities and the investment fund 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.

**(e) Other financial assets and financial liabilities**

Other financial assets and financial liabilities comprise accounts receivable, time deposits, cash and cash equivalents and accounts payable. Other financial assets are carried at amortised cost using the effective interest method, less impairment losses (if any). Financial liabilities are carried at amortised cost using the effective interest method.

**(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**

Interest income is recognised as it accrues using the effective interest method. Dividend income is recognised when the Fund's right to receive payment is established.

**(h) Awards and grants**

Awards and grants are recognised as expenditure when they are approved by the Committee and due for payment.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits 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. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2017 HK\$	2016 HK\$
Equity securities – at fair value		
Listed in Hong Kong	58,496,008	48,585,345
Debt securities – at fair value		
Unlisted	2,748,136	-
Investment fund – at fair value		
Unlisted	20,105,352	18,984,809
	<u>81,349,496</u>	<u>67,570,154</u>
Classified as :		
Non-current assets	78,601,360	67,570,154
Current assets	2,748,136	-
	<u>81,349,496</u>	<u>67,570,154</u>

### 4. CASH AND CASH EQUIVALENTS

	2017 HK\$	2016 HK\$
Time deposits with original maturity within three months	2,198,338	8,257,390
Cash at banks	6,589,164	9,402,356
	<u>8,787,502</u>	<u>17,659,746</u>

## 5. PROVISION FOR STAFF GRATUITY

	2017 HK\$	2016 HK\$
Balance at beginning of year	101,876	59,885
Provision for the year	46,131	52,858
Payment for the year	(50,136)	(8,021)
Provision written back	(37,158)	(2,846)
	<hr/>	<hr/>
Balance at end of year	<u>60,713</u>	<u>101,876</u>

## 6. INTEREST

	2017 HK\$	2016 HK\$
Interest on time deposits and savings accounts	303,050	120,164
Interest on debt securities	27,256	354,459
	<hr/>	<hr/>
	<u>330,306</u>	<u>474,623</u>

## 7. FINANCIAL RISK MANAGEMENT

- (a) The Fund's major financial instruments include available-for-sale financial assets, accounts receivable, bank deposits and cash at banks. The major risks associated with these financial instruments are set out below.

### (I) 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 maximum exposure to credit risk as 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.

To minimise the credit risks arising from bank deposits, all time deposits and bank balances are placed with reputable licensed banks in Hong Kong. To minimise credit risks arising from available-for-sale financial assets, only those classified under the investment grade by Moody's, Standard & Poor's or Fitch 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, Standard & Poor's or Fitch was as follows:



	<b>2017</b>	<b>2016</b>
	<b>HK\$</b>	<b>HK\$</b>
Debt securities by credit rating		
A+ to A-	2,748,136	-

For other receivables, the Fund considers that adequate provision has been made, where necessary, for amounts which are expected to be irrecoverable.

## **(II) Market risk**

The Fund's investments and bank deposits are exposed to market risk due to changes in market variables such as interest rates, market prices of investments and exchange rates. To manage the risk, the Committee regularly reviews the investment portfolio and the investment guidelines for monitoring the investment activities of the Fund.

### **(i) Equity price risk**

The Fund maintains a diversified portfolio of investments. The Committee monitors the performance of the portfolio and regularly reviews the investment strategy of the Fund in order to manage the equity price risk. It is estimated that if the market prices of the respective equity securities had been 10% (2016: 10%) higher/lower, other comprehensive income and the investment revaluation reserve of the Fund would have increased/decreased by about HK\$5,850,000 (2016: about HK\$4,859,000). The sensitivity analysis was based on the carrying amounts of the Fund's equity securities as at the balance sheet date and on the assumption that all other variables were held constant.

### **(ii) 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 all the Fund's deposits with banks bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as they are all stated at amortised cost, changes in market interest rates will not affect their carrying amounts and the Fund's surplus 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's exposure to cash flow interest rate risk is small as interest income from financial instruments bearing interest at a floating rate is not significant.

For the Fund's investments in debt securities, their fair values will generally fall when market interest rates increase. It was estimated that as at 31 August 2017, a general increase/decrease of 25 basis points in interest rates, with all other variables held constant, would decrease/increase other comprehensive income and the investment revaluation reserve by HK\$3,000. The sensitivity analysis was determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to debt securities in existence at that date. The 25 basis points increase/decrease represents the Fund's assessment of a reasonably possible change in interest rates over the period until the next balance sheet date.

(iii) Foreign currency risk

(a) Exposure to currency risk

The Fund maintained net financial instruments denominated in Renminbi and United States dollars totalling CNY5,768,078 (2016: CNY7,586,701) and USD2,593,070 (2016: USD2,471,063) respectively at the balance sheet date. 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. As Hong Kong dollar is pegged to the United States dollars within a narrow range, it is considered that the Fund had no significant exposure to foreign exchange risk relating to this currency.

(b) Sensitivity analysis

It was estimated that as at 31 August 2017, should the Renminbi strengthen/weaken by 5% (2016: 5%) against the Hong Kong dollar, with all other variables being held constant, the surplus of the Fund would increase/decrease by HK\$342,000 (2016: deficit of the Fund would decrease/increase by HK\$440,000).

(iv) Other price risk

The Fund is exposed to financial risk arising from changes in market price of the investment fund. It was estimated that if the market price of the investment fund had been 10% (2016: 10%) higher/lower, with all other variables held constant, other comprehensive income and the investment revaluation reserve would have increased/decreased by about HK\$2,011,000 (2016: HK\$1,898,000).

**(III) 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 effects of fluctuations in cash flows.

**(b) 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.

	<b>Level 1 HK\$</b>	<b>2017 Level 2 HK\$</b>	<b>Total HK\$</b>
<b>Available-for-sale financial assets</b>			
Equity securities – Listed in Hong Kong	58,496,008	-	58,496,008
Debt securities – Unlisted	-	2,748,136	2,748,136
Investment fund - Unlisted	-	20,105,352	20,105,352
	<u>58,496,008</u>	<u>22,853,488</u>	<u>81,349,496</u>

	<b>Level 1 HK\$</b>	<b>2016 Level 2 HK\$</b>	<b>Total HK\$</b>
<b>Available-for-sale financial assets</b>			
Equity securities – Listed in Hong Kong	48,585,345	-	48,585,345
Investment fund - Unlisted	-	18,984,809	18,984,809
	<u>48,585,345</u>	<u>18,984,809</u>	<u>67,570,154</u>

No financial instruments were classified under Level 3. During the year, there were no transfers between financial 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.

Level 3: fair value measured using significant unobservable inputs.

The fair value of the unlisted debt securities and unlisted investment fund classified under Level 2 was determined using quotation from the custodian bank.

## **8. CAPITAL MANAGEMENT**

The capital structure of the Fund consists of the capital, accumulated surplus and investment revaluation reserve. The Fund's objectives when managing capital are:

- to comply with the Li Po Chun Charitable 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 capital to ensure that its level is sufficient to fund future awards, grants and expenditure, taking into account projected cash flow requirements, future financial obligations and commitments.

## **9. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

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



**Li Po Chun Charitable Trust Fund**

**List of Scholarship Awards  
for the year ended 31.8.2017  
under Section 6(1)(a)(i) of Cap. 1110**

<u>Categories</u>	<u>Amount</u> HK\$
Local Secondary Schools Scholarships (Para. 3(2) of the Schedule)	39,200
Local Undergraduate Scholarships (Paras. 3(4) and 4 of the Schedule)	609,000
Local Postgraduate Scholarships (Para. 4 of the Schedule)	157,500
United World Colleges Scholarships (Para. 4 of the Schedule)	385,501
Vocational Training Council Scholarships (Para. 4 of the Schedule)	27,300
	<hr/> 1,218,501 <hr/>

**Li Po Chun Charitable Trust Fund**

**List of Social Relief Payments disbursed through the Director of Social Welfare  
for the year ended 31.8.2017  
under Section 6(1)(a)(ii) of Cap. 1110**

<u>Categories</u>	<u>Amount</u> HK\$
Removal and re-accommodation grants	317,316
Grants for rent and other related requirements	628,319
Grants for the welfare of the applicant in coping with special needs arising from crisis or unexpected circumstances	367,338
Grants for medical treatment and assessment	11,260
Burial grants for needy non-natural disaster victims	79,280
Grants for purchase of spectacles, dentures and medical/rehabilitation appliances on medical recommendations and repair service of the same	9,240
Grants for purchase of necessary items for needy cases under special circumstances	64,769
Special grants which the Director of Social Welfare considers appropriate	61,199
	<hr/> 1,538,721 <hr/>