

**POLICE CHILDREN'S EDUCATION TRUST
POLICE EDUCATION AND WELFARE TRUST
ANNUAL REPORT 2012/2013**

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 him.

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 2013 the following members served on the Management Committee: -

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

Mr LI Tzar-kuoi, Victor
(1 April 2012 ~ 30 June 2012)

Mr LEE Tze-hau, Michael
(1 July 2012 ~ 31 March 2013)

Representative of the Commissioner of Police -

Mr MA Wai-luk
Director of Personnel & Training
(1 April 2012 ~ 17 December 2012)

Mr CHAU Kwok-leung
Director of Personnel & Training
(18 December 2012 ~ 31 March 2013)

Representative of the Secretary for Education -

Mr YUNG Po-shu
Principal Education Officer

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

Mr SO Kam-tong, Bernie
Chief Superintendent of Police
Personnel Services & Staff Relations

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

Mr MA Sang-keung
Station Sergeant
(1 April 2012 ~ 30 June 2012)

Mr LEE Yung-nam

Station Sergeant
(1 July 2012 ~ 31 March 2013)

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

Mr LEE Tze-hau, Michael
(1 April 2012 ~ 30 June 2012)

Professor LEE Wing-on

Mr MA Siu-leung

Professor CHAN Siu-chee, Sophia
(1 April 2012 ~ 31 October 2012)

Miss CHOY Chi-ting, Eva
(1 July 2012 ~ 31 March 2013)

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

Mr CHEUNG Fan, Derek
Executive Officer, Support 1,
Personnel Services & Staff Relations
(1 April 2012 ~ 14 October 2012)

Miss WONG Man-wah, Yoki
Executive Officer, Support 1,
Personnel Services & Staff Relations
(15 October 2012 ~ 31 March 2013)

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

Ms CHEW Sien. M

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 2013, the value had risen to \$72.63M. Income for the year ended 31 March 2013 was \$4.34M whilst expenditure amounted to \$4.5M. Comparing to the surplus of \$1.89M in 2011/12, a deficit of \$0.16M was recorded for the year. It was mainly due to the following reasons: -

- (a) decrease in donation income; and
- (b) increase in expenditure on bursaries

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	219
Scholarships for degree (year one) students	57
Grants for children of Police officers under compassionate category	95
	<hr/>
Total :	<u>371</u>

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 LI Tzar-kuoi, Victor
(1 April 2012 ~ 30 June 2012)

Mr LEE Tze-hau, Michael
(1 July 2012 ~ 31 March 2013)

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

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 Treasurer and the Auditor were the same as for the Police Children's Education Trust. During the year, the function of Secretary to the Committee was performed by: -

Mr CHEUNG Fan, Derek
Executive Officer, Support 1,
Personnel Services & Staff Relations
(1 April 2012 ~ 14 October 2012)

Miss WONG Man-wah, Yoki
Executive Officer, Support 1,
Personnel Services & Staff Relations
(15 October 2012 ~ 31 March 2013)

16. For the year under review, the assets amounted to \$32.83M, a net increase of \$31.83M when compared with the original value of \$1M on 1 December 1967, the vesting day. Income for the year ended 31 March 2013 was \$3M whilst expenditure amounted to \$1.69M. There was a surplus of \$1.31M comparing to the surplus of \$0.6M in 2011/12. It was mainly due to the increase in interest income from certificate of deposits and gain on disposal of investments.

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	60
Scholarships for children of Inspectorate rank Police Officers or above	27
Medical Scholarship for Year One Medical Student	1
Grants for children of Police Officers under compassionate category	14
Grants for disabled children	130
Total :	<u>232</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 2013 and the list of major donations received during 2012/2013 are attached at Appendices II and III respectively.

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.

(TSANG Wai-hung)
Commissioner of Police
Trustee
Police Children's Education Trust
Police Education and Welfare Trust

December 2013

警察子女教育信託基金 警察教育及福利信託基金 2012/2013 年度周年報告

歷史

在 1967 年騷動期間，香港警隊表現英勇、不屈不撓及忠心耿耿。為表示謝意，公眾人士及不少商業機構捐出一大筆款項。當時是由本地著名商人安曼先生提議捐款，並由工商署協助收集。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他。

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 2013 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：

李澤鉅先生

(由 2012 年 4 月 1 日至 2012 年 6 月 30 日)

利子厚先生

(由 2012 年 7 月 1 日至 2013 年 3 月 31 日)

警務處處長代表：

人事及訓練處處長馬維騷先生

(由 2012 年 4 月 1 日至 2012 年 12 月 17 日)

人事及訓練處處長周國良先生

(由 2012 年 12 月 18 日至 2013 年 3 月 31 日)

教育局局長代表：

首席教育主任容寶樹先生

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)

蘇錦棠先生

香港特別行政區行政長官委任的初級警務人員代表：

警署警長馬生強先生

(由 2012 年 4 月 1 日至 2012 年 6 月 30 日)

警署警長李勇南先生

(由 2012 年 7 月 1 日至 2013 年 3 月 31 日)

下列委員由香港特別行政區行政長官委任：

利子厚先生

(由 2012 年 4 月 1 日至 2012 年 6 月 30 日)

李榮安教授

馬紹良先生

陳肇始博士

(由 2012 年 4 月 1 日至 2012 年 10 月 31 日)

蔡志婷女士

(由 2012 年 7 月 1 日至 2013 年 3 月 31 日)

6. 年內，下列人士擔任委員會秘書一職：

行政主任(支援)1(人事服務及職員關係)

張帆先生

(由 2012 年 4 月 1 日至 2012 年 10 月 14 日)

行政主任(支援)1(人事服務及職員關係)

王敏華女士

(由 2012 年 10 月 15 日至 2013 年 3 月 31 日)

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

趙善敏女士

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 2013 年 3 月 31 日止，資產淨值上升至 7,263 萬元。截至 2013 年 3 月 31 日的年度內，收入為 434 萬元，而支出共 450 萬元。比較 2011/12 年度有盈餘 189 萬元，本年度錄得虧損 16 萬元。主要原因如下：

- (a) 捐款收入減少；以及
- (b) 助學金支出增加

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	219 名
大一學位獎學金	57 名
恩恤補助金	95 名
	<hr/>
總人數：	共 371 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：

李澤鉅先生
(由 2012 年 4 月 1 日至 2012 年 6 月 30 日)

利子厚先生
(由 2012 年 7 月 1 日至 2013 年 3 月 31 日)

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

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. 司庫及核數師亦與警察子女教育信託基金相同。年內，委員會秘書由下列人士擔任：-

行政主任(支援)1(人事服務及職員關係)
張帆先生
(由 2012 年 4 月 1 日至 2012 年 10 月 14 日)

行政主任(支援)1(人事服務及職員關係)
王敏華女士
(由 2012 年 10 月 15 日至 2013 年 3 月 31 日)

16. 在本報告年度，信託基金的資產淨值為 3,283 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 3,183 萬元。截至 2013 年 3 月 31 日的年度內，信託基金的收入為 300 萬元，支出為 169 萬元，比較 2011/12 年度的盈餘 60 萬元，本年度共有盈餘 131 萬元。主要原因由於存款證投資收入增加以及出售投資的盈利增加。

17. 年內，信託基金撥出的款項包括：

督察級子女大專助學金	60 名
督察級及以上警察子女獎學金	27 名
醫科學生(大學一年級)獎學金	1 名
恩恤補助金	14 名
傷殘子女補助金	130 名
總人數：	<u>共 232 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 2013 年 3 月 31 日止的投資清單及 2012/2013 年度主要捐款名單分別載於附件 II 及 III。

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
警務處處長曾偉雄

2013 年 12 月 日

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 2013, 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 2013, 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.



Frederick T C WONG
Principal Auditor
for Director of Audit

9 December 2013

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

POLICE CHILDREN'S EDUCATION TRUST

BALANCE SHEET AS AT 31 MARCH 2013

	Note	2013 HK\$	2012 HK\$
ASSETS			
Non-current assets			
Available-for-sale investments	3	38,847,755	42,031,387
Held-to-maturity investments	4	3,038,279	-
		<u>41,886,034</u>	<u>42,031,387</u>
Current assets			
Available-for-sale investments	3	2,916,386	785,405
Held-to-maturity investments	4	14,367,412	13,543,875
Account receivables		342,834	229,893
Cash and cash equivalents	5	16,176,516	15,746,389
		<u>33,803,148</u>	<u>30,305,562</u>
Current liabilities			
Account payables		(3,059,174)	(1,736)
Net current assets		<u>30,743,974</u>	<u>30,303,826</u>
NET ASSETS		<u>72,630,008</u>	<u>72,335,213</u>
EQUITY			
Trust fund account	6	70,846,671	71,008,387
Fair value reserve		1,783,337	1,326,826
TOTAL EQUITY		<u>72,630,008</u>	<u>72,335,213</u>

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

(TSANG Wai-hung)
Commissioner of Police

POLICE CHILDREN'S EDUCATION TRUST

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 HK\$	2012 HK\$
INCOME			
Donations		453,582	4,019,701
Interest income	7	1,596,512	1,436,785
Dividend income		598,110	552,870
Net exchange gain		477,954	199,261
Gain on disposal of investments		1,215,606	-
		<u>4,341,764</u>	<u>6,208,617</u>
		-----	-----
		-	-
EXPENDITURE			
Bursaries	8	(4,406,110)	(3,972,060)
Treasurer's remuneration		(42,000)	(42,000)
Sundry expenses		(55,370)	(71,204)
Loss on disposal of investments		-	(236,155)
		<u>(4,503,480)</u>	<u>(4,321,419)</u>
		=====	=====
(DEFICIT)/SURPLUS FOR THE YEAR		<u>(161,716)</u>	<u>1,887,198</u>
		=====	=====

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

POLICE CHILDREN'S EDUCATION TRUST

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013**

	2013 HK\$	2012 HK\$
(DEFICIT)/SURPLUS FOR THE YEAR	(161,716)	1,887,198
OTHER COMPREHENSIVE INCOME		
Available-for-sale investments		
- changes in fair values	1,124,413	(2,653,950)
- fair values gains transferred on disposal/maturity	(667,902)	(28,334)
	<u>456,511</u>	<u>(2,682,284)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	294,795 =====	(795,086) =====

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

POLICE CHILDREN'S EDUCATION TRUST

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013**

	Trust fund account HK\$	Fair value reserve HK\$	Total HK\$
Balance at 1 April 2011	69,121,189	4,009,110	73,130,299
Total comprehensive expense for 2011-12	1,887,198	(2,682,284)	(795,086)
Balance at 31 March 2012	71,008,387	1,326,826	72,335,213
Total comprehensive income for 2012-13	(161,716)	456,511	294,795
Balance at 31 March 2013	70,846,671	1,783,337	72,630,008

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

POLICE CHILDREN'S EDUCATION TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 HK\$	2012 HK\$
Cash flows from operating activities			
(Deficit)/Surplus for the year		(161,716)	1,887,198
Adjustments for:			
Interest income		(1,596,512)	(1,436,785)
Dividend income		(598,110)	(552,870)
(Gain)/Loss on disposal of investments		(1,215,606)	236,155
Exchange (gain)/loss on disposal and maturity of investments		(135,214)	505,514
Unrealised exchange (gain)/loss of investments		(275,780)	102,898
Effect of exchange rate changes on cash and cash equivalents		(100,205)	47,726
Increase/(Decrease) in account payables		19,159	(949)
Net cash (used in)/from operating activities		(4,063,984)	788,887
		-----	-----
Cash flows from investing activities			
Purchase of investments		(43,075,514)	(40,813,146)
Proceeds from disposal/redemption of investments		45,367,764	27,753,232
Decrease in bank deposit		-	10,684,685
Interest received		1,503,546	1,815,621
Dividends received		598,110	552,870
Net cash from/(used in) investing activities		4,393,906	(6,738)
		-----	-----
Net increase in cash and cash equivalents		329,922	782,149
Cash and cash equivalents at beginning of the year		15,746,389	15,011,966
Effect of exchange rate changes on cash and cash equivalents		100,205	(47,726)
Cash and cash equivalents at end of the year	5	16,176,516	15,746,389

The accompanying notes 1 to 11 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 derecognised, the cumulative gain or loss previously recognised is dealt with 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.

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.

POLICE CHILDREN'S EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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. They 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.

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

POLICE CHILDREN'S EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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. 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.

(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.

3 AVAILABLE-FOR-SALE INVESTMENTS

	2013	2012
	HK\$	HK\$
Debt securities, at fair value		
- unlisted	424,881	1,205,133
- listed in Hong Kong	6,853,639	3,438,155
- listed outside Hong Kong	15,418,471	19,467,379
	22,696,991	24,110,667
Equity securities, at fair value		
- listed in Hong Kong	19,067,150	18,706,125
	41,764,141	42,816,792
	41,764,141	42,816,792
Classified as:		
- Non-current assets	38,847,755	42,031,387
- Current assets	2,916,386	785,405
	41,764,141	42,816,792
	41,764,141	42,816,792

POLICE CHILDREN'S EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4	HELD-TO-MATURITY INVESTMENTS		
		2013	2012
		HK\$	HK\$
	Certificates of deposits, at amortised cost		
	Non-current assets	3,038,279	-
	Current assets	14,367,412	13,543,875
		<u>17,405,691</u>	<u>13,543,875</u>
		=====	=====

5	CASH AND CASH EQUIVALENTS		
		2013	2012
		HK\$	HK\$
	Deposits with banks	16,067,106	12,710,292
	Cash at banks	109,410	3,036,097
	Cash and cash equivalents	<u>16,176,516</u>	<u>15,746,389</u>
		=====	=====

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

United States Dollars:		
USD1,748,198 (2012: USD509,824)	13,571,960	3,958,349
Renminbi:		
CNY947,197 (2012: CNY5,936,799)	1,183,371	7,309,751
Australian Dollars:		
AUD72,774 (2012: AUD247,122)	590,090	1,990,068
	<u>15,345,421</u>	<u>13,258,168</u>
	=====	=====

6 TRUST FUND ACCOUNT

Of the trust fund balance at 31 March 2013, HK\$3,048,966 (2012: HK\$3,400,689) is related to donations from the Hong Kong Jockey Club Charities Trust and income generated therefrom, less bursary payments.

POLICE CHILDREN'S EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 INTEREST INCOME

	2013	2012
	HK\$	HK\$
Interest income from bank deposits	56,654	164,486
Interest income from held-to-maturity investments	257,636	43,056
Interest income from available-for-sale investments	1,282,222	1,229,243
	<u>1,596,512</u>	<u>1,436,785</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.

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 ended 31 March 2013.

(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 CHILDREN'S EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

	2013	2012
	HK\$	HK\$
Certificates of deposits by credit rating		
P-1 / A-1	12,408,330	7,387,568
A1 to A3 / A+ to A-	4,997,361	6,156,307
	17,405,691	13,543,875
	17,405,691	13,543,875
Other debt securities by credit rating		
Aaa to Aa3 / AAA to AA-	5,685,073	6,440,873
A1 to A3 / A+ to A-	14,520,413	15,213,519
Baa1 to Baa3 / BBB+ to BBB-	2,491,505	2,456,275
	22,696,991	24,110,667
	22,696,991	24,110,667

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.

(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 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 deposits with banks are all stated at amortised cost, their carrying amounts will not be affected by changes in market interest rates.

POLICE CHILDREN'S EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 has no significant exposure to cash flow interest rate risk because there is no holding of material financial instruments bearing interest rates determined by reference to market interest rates.

The Trust's exposure to interest risk, based on the major interest-bearing assets stated at carrying amounts at the balance sheet date and categorised by maturity dates, is shown below.

	Repricing Period			Total HK\$
	Up to 3 months HK\$	Over 3 months to 1 year HK\$	Over 1 year to 5 years HK\$	
2013				
Available-for-sale debt securities	-	2,916,386	19,780,605	22,696,991
Held-to-maturity investments	-	14,367,412	3,038,279	17,405,691
Deposits with banks	16,067,106	-	-	16,067,106
Total	<u>16,067,106</u>	<u>17,283,798</u>	<u>22,818,884</u>	<u>56,169,788</u>
	=====	=====	=====	=====
2012				
Available-for-sale debt securities	-	785,405	23,325,262	24,110,667
Held-to-maturity investments	4,925,045	8,618,830	-	13,543,875
Deposits with banks	12,710,292	-	-	12,710,292
Total	<u>17,635,337</u>	<u>9,404,235</u>	<u>23,325,262</u>	<u>50,364,834</u>
	=====	=====	=====	=====

(ii) Sensitivity analysis

It was estimated that, as at 31 March 2013, a general increase of 50 basis points (2012: 50 basis points) in interest rates, with all other variables held constant, would decrease the balance of the Trust's fair value reserve by about HK\$316,000 (2012: HK\$235,000) and a general decrease of 50 basis points (2012: 50 basis points) would increase the fair value reserve by about HK\$322,000 (2012: HK\$239,000).

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 2012.

(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 20% (2012: 20%) higher/lower, the balance of the fair value reserve at the balance sheet date would increase/decrease by about HK\$3,813,000 (2012: HK\$3,741,000) 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.

	2013	2012
	HK\$	HK\$
United States Dollars:		
USD1,747,870		
(2012: USD1,712,782)	13,569,412	13,298,298
Renminbi:		
CNY22,978,433		
(2012: CNY22,778,964)	28,707,880	28,046,859
Australian Dollars:		
AUD1,291,573 (2012: AUD1,216,421)	10,472,700	9,795,810
	<u>52,749,992</u>	<u>51,140,967</u>
	=====	=====

POLICE CHILDREN'S EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

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% (2012: 5%) against the Hong Kong dollar, with all other variables held constant, the Trust's deficit for the year would decrease/increase by approximately HK\$1,958,000 (2012: increase/decrease the Trust's surplus by HK\$1,893,000).

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred at the end of the year and had been applied to foreign currency net financial assets in existence at that date. The 5% (2012: 5%) strengthening/weakening in Renminbi and Australian dollar represents the assessment by the Trust of a reasonably possible change in foreign exchange rates over the period until the end of next year.

POLICE CHILDREN'S EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 across the three levels of the fair value hierarchy defined in HKFRS 7 Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement.

	Level 1	2013	Total
	HK\$	Level 2	HK\$
		HK\$	
Available-for-sale investments :			
Equity securities – listed	19,067,150	-	19,067,150
Debt securities – listed	22,272,110	-	22,272,110
Debt securities – unlisted	-	424,881	424,881
	<u>41,339,260</u>	<u>424,881</u>	<u>41,764,141</u>
	Level 1	2012	Total
	HK\$	Level 2	HK\$
		HK\$	
Available-for-sale investments :			
Equity securities – listed	18,706,125	-	18,706,125
Debt securities – listed	22,905,534	-	22,905,534
Debt securities – unlisted	-	1,205,133	1,205,133
	<u>41,611,659</u>	<u>1,205,133</u>	<u>42,816,792</u>

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

POLICE CHILDREN'S EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

The three levels are defined as follows:

Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2: fair value measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.

Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

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.

11 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.

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21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2013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2013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
(審計署首席審計師黃達昌代行)

2013年12月9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

截至二零一三年三月三十一日的資產負債表

	附註	2013 港元	2012 港元
資產			
非流動資產			
可供出售投資	3	38,847,755	42,031,387
持有至到期投資	4	3,038,279	-
		<u>41,886,034</u>	<u>42,031,387</u>
流動資產			
可供出售投資	3	2,916,386	785,405
持有至到期投資	4	14,367,412	13,543,875
應收帳款		342,834	229,893
現金及現金等值項目	5	16,176,516	15,746,389
		<u>33,803,148</u>	<u>30,305,562</u>
流動負債			
應付帳款		(3,059,174)	(1,736)
流動資產淨值		<u>30,743,974</u>	<u>30,303,826</u>
資產淨值		<u>72,630,008</u>	<u>72,335,213</u>
		=====	=====
權益			
信託基金帳戶	6	70,846,671	71,008,387
公平值儲備		1,783,337	1,326,826
權益總額		<u>72,630,008</u>	<u>72,335,213</u>
		=====	=====

隨附附註1至11為本財務報表的一部分。

警務處處長曾偉雄
二零一三年十二月九日

警察子女教育信託基金

截至二零一三年三月三十一日止年度收支帳目

	附註	2013 港元	2012 港元
收入			
捐款		453,582	4,019,701
利息收入	7	1,596,512	1,436,785
股息收入		598,110	552,870
匯兌收益淨額		477,954	199,261
出售投資的收益		1,215,606	-
		<u>4,341,764</u>	<u>6,208,617</u>
		-----	-----
支出			
助學金	8	(4,406,110)	(3,972,060)
司庫酬金		(42,000)	(42,000)
雜項支出		(55,370)	(71,204)
出售投資的虧損		-	(236,155)
		<u>(4,503,480)</u>	<u>(4,321,419)</u>
		-----	-----
本年度(虧損) / 盈餘		<u>(161,716)</u>	<u>1,887,198</u>
		=====	=====

隨附附註1至11為本財務報表的一部分。

警察子女教育信託基金

截至二零一三年三月三十一日止年度全面收益表

	2013 港元	2012 港元
年度(虧損) / 盈餘	(161,716)	1,887,198
其他全面收益		
可供出售投資		
- 公平值變動	1,124,413	(2,653,950)
- 出售 / 到期後轉撥的公平值收益	(667,902)	(28,334)
	<u>456,511</u>	<u>(2,682,284)</u>
年度全面收益 / (支出)總額	<u>294,795</u>	<u>(795,086)</u>

隨附附註1至11為本財務報表的一部分。

警察子女教育信託基金

截至二零一三年三月三十一日止年度權益變動表

	信託基金 帳戶	公平值 儲備	總值
	港元	港元	港元
2011年4月1日的結餘	69,121,189	4,009,110	73,130,299
2011-12年度全面支出總額	1,887,198	(2,682,284)	(795,086)
	—————	—————	—————
2012年3月31日的結餘	71,008,387	1,326,826	72,335,213
2012-13年度全面收益總額	(161,716)	456,511	294,795
	—————	—————	—————
2013年3月31日的結餘	70,846,671	1,783,337	72,630,008
	=====	=====	=====

隨附附註1至11為本財務報表的一部分。

警察子女教育信託基金

截至二零一三年三月三十一日止年度現金流量表

	附註	2013 港元	2012 港元
營運活動的現金流量			
本年度(虧損) / 盈餘		(161,716)	1,887,198
調整項目：			
利息收入		(1,596,512)	(1,436,785)
股息收入		(598,110)	(552,870)
出售投資的(收益) / 虧損		(1,215,606)	236,155
出售投資及投資到期的匯兌 (收益) / 虧損		(135,214)	505,514
投資的未兌現匯兌(收益) / 虧損		(275,780)	102,898
匯率變動對現金及現金等值項目的影 響		(100,205)	47,726
應付帳款增加 / (減少)		19,159	(949)
營運活動(所用) / 所得的現金淨額		<u>(4,063,984)</u>	<u>788,887</u>
投資活動的現金流量			
購入投資付款		(43,075,514)	(40,813,146)
出售 / 贖回投資的收款		45,367,764	27,753,232
銀行存款減少		-	10,684,685
已收利息		1,503,546	1,815,621
已收股息		598,110	552,870
投資活動所得 / (所用)的現金淨額		<u>4,393,906</u>	<u>(6,738)</u>
現金及現金等值項目增加淨額		329,922	782,149
年初的現金及現金等值項目		15,746,389	15,011,966
匯率變動對現金及現金等值項目的影響		100,205	(47,726)
年終的現金及現金等值項目	5	<u>16,176,516</u>	<u>15,746,389</u>

隨附附註1至11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的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在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。

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及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劃歸為可供出售投資，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，但減值虧損和匯兌收益與虧損（如屬債務證券等貨幣項目）則直接在收支帳目中確認。終止確認這些投資時，以往在公平值儲備中確認的累計收益或虧損會在收支帳目中處理。投資的購入及出售採用交易日會計法確認入帳。投資以當時賣盤價作價。

如果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。

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。

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)

(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入帳。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。

就按攤

(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) 現金及現金等值項目

現金及現金等值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。

(h) 應付帳款

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

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)

(i) 收入

- (i) 捐款於收到款項時確認。
- (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。
- (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息法累計確認。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貼現率。

(j) 助學金

助學金準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)

	2013 港元	2012 港元
3 可供出售投資		
債務證券 (按公平值入帳)		
- 非上市	424,881	1,205,133
- 在香港上市	6,853,639	3,438,155
- 在香港以外地方上市	15,418,471	19,467,379
	22,696,991	24,110,667
股本證券 (按公平值入帳)		
- 在香港上市	19,067,150	18,706,125
	<u>41,764,141</u>	<u>42,816,792</u>
	=====	=====
歸類：		
非流動資產	38,847,755	42,031,387
流動資產	2,916,386	785,405
	<u>41,764,141</u>	<u>42,816,792</u>
	=====	=====
4 持有至到期投資		
存款證 (按攤銷成本入帳)		
非流動資產	3,038,279	-
流動資產	14,367,412	13,543,875
	<u>17,405,691</u>	<u>13,543,875</u>
	=====	=====

警察子女教育信託基金

財務報表附註 (續)

5	現金及現金等值項目	2013 港元	2012 港元
	存放於銀行的存款	16,067,106	12,710,292
	銀行現金	109,410	3,036,097
	現金及現金等值項目	<u>16,176,516</u>	<u>15,746,389</u>
		=====	=====

現金及現金等值項目包括下列並非以信託基金的功能貨幣為單位的數額。

美元：

1,748,198美元 (2012: 509,824美元)	13,571,960	3,958,349
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人民幣：

947,197圓人民幣 (2012: 5,936,799圓人民幣)	1,183,371	7,309,751
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澳元：

72,774澳元 (2012: 247,122澳元)	590,090	1,990,068
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	<u>15,345,421</u>	<u>13,258,168</u>
	=====	=====

6 信託基金帳戶

於二零一三年三月三十一日，信託基金結餘包括3,048,966港元(2012年：3,400,689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。

警察子女教育信託基金

財務報表附註（續）

7 利息收入

	2013 港元	2012 港元
銀行存款的利息收入	56,654	164,486
持有至到期投資的利息收入	257,636	43,056
可供出售投資的利息收入	1,282,222	1,229,243
	<u>1,596,512</u>	<u>1,436,785</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。

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、應收帳款與現金及現金等值項目。信託基金的金融負債則包括應付帳款。

信託基金於截至二零一三年三月三十一日止年度並無簽訂任何外匯合同、利率掉期或其他金融工具。

(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較低評級分析如下：

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)

	2013 港元	2012 港元
按信貸評級列示存款證		
P-1 / A-1	12,408,330	7,387,568
A1 至 A3 / A+ 至 A-	4,997,361	6,156,307
	<u>17,405,691</u>	<u>13,543,875</u>
	=====	=====
按信貸評級列示其他債務證券		
Aaa 至 Aa3 / AAA 至 AA-	5,685,073	6,440,873
A1 至 A3 / A+ 至 A-	14,520,413	15,213,519
Baa1 至 Baa3 / BBB+ 至 BBB-	2,491,505	2,456,275
	<u>22,696,991</u>	<u>24,110,667</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截至結算日止預期無法討回的款額作出充足的撥備。

(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。

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）

(c) 利率風險

(i) 面對的利率風險

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。本信託基金沒有面對重大的現金流量利率風險，因為其並無持有以市場利率為參考的重大付息金融工具。

本信託基金所面對的利率風險，按各主要付息資產皆以結算日的帳面值列出，並按到期日作分類，列示如下。

	重訂利率期			總額 港元
	三個月 或以下 港元	超過三個月但 不超過一年 港元	超過一年但 不超過五年 港元	
2013				
可供出售債務證券	-	2,916,386	19,780,605	22,696,991
持有至到期投資	-	14,367,412	3,038,279	17,405,691
銀行存款	16,067,106	-	-	16,067,106
總額	<u>16,067,106</u>	<u>17,283,798</u>	<u>22,818,884</u>	<u>56,169,788</u>
2012				
可供出售債務證券	-	785,405	23,325,262	24,110,667
持有至到期投資	4,925,045	8,618,830	-	13,543,875
銀行存款	12,710,292	-	-	12,710,292
總額	<u>17,635,337</u>	<u>9,404,235</u>	<u>23,325,262</u>	<u>50,364,834</u>

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）

(ii) 敏感度分析

截至二零一三年三月三十一日，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(2012年: 50個基點)，將使信託基金的公平值儲備餘額減少約 316,000港元(2012年：235,000港元)，而利率一般下調 50 個基點(2012年: 50個基點)，將使公平值儲備增加約 322,000港元(2012年：239,000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年度結算日期間的合理可能變動所作的評估。二零一二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所產生的虧損風險。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20%(2012年：20%)，於結算日的公平值儲備餘額會因公平值改變而增加 / 減少約 3,813,000港元(2012年：3,741,000 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。

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）

(e) 外幣風險

(i) 面對的外幣風險

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。

	2013 港元	2012 港元
美元：		
1,747,870美元 (2012: 1,712,782美元)	13,569,412	13,298,298
人民幣：		
人民幣22,978,433 (2012: 22,778,964圓人民幣)	28,707,880	28,046,859
澳元：		
1,291,573澳元 (2012: 1,216,421澳元)	10,472,700	9,795,810
	<u>52,749,992</u> =====	<u>51,140,967</u> =====

由於港幣與美元於窄幅掛鈎，因此信託基金毋須面對重大的外幣匯率風險。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面對的最大外幣匯率風險。

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）

(ii) 敏感度分析

截至結算日，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%(2012年:5%)，將使信託基金的年度虧損減少 / 增加接近1,958,000港元(2012年：信託基金的盈餘增加 / 減少1,893,000港元)。

釐定以上敏感度分析時，已假設外幣匯率變動已於年終出現，並已應用於當日存在的外幣金融資產淨值上。人民幣和澳元上升/下跌5%(2012年:5%)代表信託基金對外幣匯率在直至下年度末期間的合理可能變動所作出的評估。

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)

(f) 以公平值列報之金融工具

下表呈列於結算日根據香港財務報告準則第7號《金融工具：披露》所界定之公平值三個級別中，以公平值列帳之金融工具之帳面值，而各金融工具之公平值按其公平值計量所需輸入的重要數據之級別，按最低級別而整體作出分類。

	第一級 港元	2013 第二級 港元	總額 港元
可供出售投資：			
股本證券			
- 上市	19,067,150	-	19,067,150
債務證券			
- 上市	22,272,110	-	22,272,110
債務證券			
- 非上市	-	424,881	424,881
	<u>41,339,260</u>	<u>424,881</u>	<u>41,764,141</u>

	第一級 港元	2012 第二級 港元	總額 港元
可供出售投資：			
股本證券			
- 上市	18,706,125	-	18,706,125
債務證券			
- 上市	22,905,534	-	22,905,534
債務證券			
- 非上市	-	1,205,133	1,205,133
	<u>41,611,659</u>	<u>1,205,133</u>	<u>42,816,792</u>

年內，第一級及第二級之間並沒有重大調撥。

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）

該三個級別的界定如下：

第一級(最高級別)：以同一金融工具在活躍市場的報價(未經調整)計算其公平值。

第二級：以類似之金融工具在活躍市場的報價，或以估值方法(其中所有輸入的重要數據乃直接或間接以可觀察的市場數據為本)計算其公平值。

第三級(最低級別)：以估值方法(其中輸入的重要數據並非按可觀察的市場數據為本)計算公平值。

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，以執行本附註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。

11. 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。

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 18, which comprise the balance sheet as at 31 March 2013, 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 2013, 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.



Frederick T C WONG
Principal Auditor
for Director of Audit

9 December 2013

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

POLICE EDUCATION AND WELFARE TRUST

BALANCE SHEET AS AT 31 MARCH 2013

	Note	2013 HK\$	2012 HK\$
ASSETS			
Non-current assets			
Available-for-sale investments	3	14,026,243	15,510,959
Held-to-maturity investments	4	1,215,311	-
		<u>15,241,554</u>	<u>15,510,959</u>
Current assets			
Available-for-sale investments	3	1,420,703	331,344
Held-to-maturity investments	4	9,370,052	6,771,938
Account receivables		157,107	71,945
Bank deposits	5	1,935,279	-
Cash and cash equivalents	6	5,934,982	8,638,482
		<u>18,818,123</u>	<u>15,813,709</u>
Current liabilities			
Account payables		(1,234,564)	(733)
Net current assets		<u>17,583,559</u>	<u>15,812,976</u>
NET ASSETS		<u>32,825,113</u>	<u>31,323,935</u>
EQUITY			
Trust fund account	7	32,028,906	30,718,532
Fair value reserve		796,207	605,403
TOTAL EQUITY		<u>32,825,113</u>	<u>31,323,935</u>

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

(TSANG Wai-hung)
Commissioner of Police

POLICE EDUCATION AND WELFARE TRUST

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 HK\$	2012 HK\$
INCOME			
Donations		1,410,580	1,400,406
Interest income from bank deposits		68,619	90,267
Interest income from held-to-maturity investments		165,356	20,805
Interest income from available-for-sale investments		430,955	440,348
Dividend income		239,300	221,565
Gain on disposal of investments		440,268	-
Net exchange gains		248,156	226,858
		<u>3,003,234</u>	<u>2,400,249</u>
		-----	-----
EXPENDITURE			
Bursaries	8	(1,606,660)	(1,614,130)
Treasurer's remuneration		(42,000)	(42,000)
Sundry expenses		(44,200)	(53,629)
Loss on disposal of investments		-	(91,838)
		<u>(1,692,860)</u>	<u>(1,801,597)</u>
		=====	=====
SURPLUS FOR THE YEAR		<u>1,310,374</u>	<u>598,652</u>
		=====	=====

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

POLICE EDUCATION AND WELFARE TRUST

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013**

	2013 HK\$	2012 HK\$
SURPLUS FOR THE YEAR	1,310,374	598,652
OTHER COMPREHENSIVE INCOME / (EXPENSE)		
Available-for-sale investments		
- changes in fair value	448,489	(1,101,156)
- fair value gains transferred on disposal/maturity	(257,685)	(10,625)
	190,804	(1,111,781)
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR	1,501,178	(513,129)
	=====	=====

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

POLICE EDUCATION AND WELFARE TRUST

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013**

	Trust fund account HK\$	Fair value reserve HK\$	Total HK\$
Balance at 1 April 2011	30,119,880	1,717,184	31,837,064
Total comprehensive expense for 2011-12	598,652	(1,111,781)	(513,129)
Balance at 31 March 2012	<u>30,718,532</u>	<u>605,403</u>	<u>31,323,935</u>
Total comprehensive income for 2012-13	1,310,374	190,804	1,501,178
Balance at 31 March 2013	<u><u>32,028,906</u></u>	<u><u>796,207</u></u>	<u><u>32,825,113</u></u>

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

POLICE EDUCATION AND WELFARE TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 HK\$	2012 HK\$
Cash flows from operating activities			
Surplus for the year		1,310,374	598,652
Adjustments for:			
Interest income		(664,930)	(551,420)
Dividend income		(239,300)	(221,565)
(Gain)/Loss on disposal of investments		(440,268)	91,838
Unrealised exchange (gains)/losses of investments		(169,918)	30,322
Exchange (gains)/losses on disposal and maturity of investments		(54,057)	195,865
Increase/(Decrease) in account payables		18,520	(221)
Effect of exchange rate changes on cash and cash equivalents		(30,320)	9,065
Net cash (used in)/from operating activities		(269,899)	152,536
		-----	-----
Cash flows from investing activities			
Purchases of investments		(17,254,692)	(17,172,110)
Proceeds from disposal/redemption of investments		15,898,925	10,459,874
Net (increase)/decrease in bank deposits with original maturity over three months	5	(1,935,279)	4,511,312
Interest received		587,825	691,204
Dividends received		239,300	221,565
Net cash used in investing activities		(2,463,921)	(1,288,155)
		-----	-----
Net decrease in cash and cash equivalents		(2,733,820)	(1,135,619)
Cash and cash equivalents at beginning of the year		8,638,482	9,783,166
Effect of exchange rate changes on cash and cash equivalents		30,320	(9,065)
Cash and cash equivalents at end of the year	6	5,934,982	8,638,482

The accompanying notes 1 to 10 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 equity 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 derecognised, the cumulative gain or loss previously recognised is dealt with 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.

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.

POLICE EDUCATION AND WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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. They 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.

(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) Donations are recognised on a receipt basis.

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

POLICE EDUCATION AND WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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. 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.

(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.

3 AVAILABLE-FOR-SALE INVESTMENTS

	2013 HK\$	2012 HK\$
Debt securities, at fair value		
- unlisted	174,951	504,173
- listed in Hong Kong	1,193,117	1,146,052
- listed outside Hong Kong	6,429,528	6,701,328
	7,797,596	8,351,553
Equity securities, at fair value		
- listed in Hong Kong	7,649,350	7,490,750
	15,446,946	15,842,303
	15,446,946	15,842,303
Classified as :		
- Non-current assets	14,026,243	15,510,959
- Current assets	1,420,703	331,344
	15,446,946	15,842,303
	15,446,946	15,842,303

POLICE EDUCATION AND WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4	HELD-TO-MATURITY INVESTMENTS		
		2013	2012
		HK\$	HK\$
	Certificates of deposits, at amortised cost		
	Non-current assets	1,215,311	-
	Current assets	9,370,052	6,771,938
		<u>10,585,363</u>	<u>6,771,938</u>
		=====	=====

5	BANK DEPOSITS		
		2013	2012
		HK\$	HK\$
	Bank deposits : CNY1,549,041 (2012 : Nil)	1,935,279	-
		<u>1,935,279</u>	<u>-</u>
		=====	=====

6	CASH AND CASH EQUIVALENTS		
		2013	2012
		HK\$	HK\$
	Deposits with banks	5,208,689	7,183,499
	Cash at banks	726,293	1,454,983
		<u>5,934,982</u>	<u>8,638,482</u>
	Cash and cash equivalents	5,934,982	8,638,482
		<u>5,934,982</u>	<u>8,638,482</u>
		=====	=====

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

		2013	2012
		HK\$	HK\$
	Australian Dollars :		
	AUD 15,404 (2012: AUD80,434)	124,903	647,731
	United States Dollars :		
	USD 401,191 (2012: USD65,667)	3,114,605	509,852
	Renminbi :		
	CNY 148,176 (2012: CNY4,406,435)	185,122	5,425,473
		<u>3,424,630</u>	<u>6,583,056</u>
		=====	=====

POLICE EDUCATION AND WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 TRUST FUND ACCOUNT

Of the trust fund balance at 31 March 2013, HK\$2,589,490 (2012: HK\$2,580,430) is related to donations from the Hong Kong Jockey Club Charities Trust and income generated therefrom, less bursary payments; and HK\$1,093,434 (2012: HK\$1,072,754) is related to donations from the Providence Foundation Limited and income generated therefrom, less bursary payments.

8 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.

9 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 ended 31 March 2013. 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)

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

	2013	2012
	HK\$	HK\$
Certificates of deposits by credit rating		
P-1 / A-1	5,588,002	4,309,415
A1 to A3 / A+ to A-	4,997,361	2,462,523
	10,585,363	6,771,938
	10,585,363	6,771,938
Other debt securities by credit rating		
Aaa to Aa3 / AAA to AA-	2,534,126	3,122,043
A1 to A3 / A+ to A-	4,017,718	4,001,373
BBB+ to BBB-	1,245,752	1,228,137
	7,797,596	8,351,553
	7,797,596	8,351,553

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% (2012: 10%) higher/lower, the balance of the Trust's fair value reserve would have increased/decreased by about HK\$765,000(2012:HK\$749,000) 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)

9 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 deposits with banks bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as 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 has no exposure to cash flow interest rate risk because there is no holding of material financial instruments bearing interest rates determined by reference to market interest rates.

The Trust's exposure to interest rate risk, based on the major interest-bearing assets stated at carrying amounts at the balance sheet date and categorised by maturity dates, is shown below:

	Repricing Period			Total HK\$
	Up to 3 months HK\$	Over 3 months to 1 year HK\$	Over 1 year to 5 years HK\$	
2013				
Certificate of deposits	-	9,370,052	1,215,311	10,585,363
Other debt securities	-	1,420,703	6,376,893	7,797,596
Bank Deposits	1,935,279	-	-	1,935,279
	<u>1,935,279</u>	<u>10,790,755</u>	<u>7,592,204</u>	<u>20,318,238</u>
	=====	=====	=====	=====
2012				
Certificate of deposits	3,078,154	3,693,784	-	6,771,938
Other debt securities	-	331,344	8,020,209	8,351,553
	<u>3,078,154</u>	<u>4,025,128</u>	<u>8,020,209</u>	<u>15,123,491</u>
	=====	=====	=====	=====

POLICE EDUCATION AND WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Sensitivity analysis

It was estimated that, as at 31 March 2013, a general increase of 50 basis points (2012: 50 basis points) in interest rates, with all other variables held constant, would decrease the balance of the Trust's fair value reserve by about HK\$109,000 (2012: HK\$71,000) and a general decrease of 50 basis points (2012: 50 basis points) would increase the fair value reserve by about HK\$112,000 (2012: HK\$72,000).

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 2012.

(e) Foreign currency risk

(i) Exposure to currency risk

The Trust maintained net financial assets denominated in United States dollar, Renminbi and Australian dollar at a total of USD401,049 (2012: USD403,834), CNY12,595,991 (2012: CNY12,279,360) and AUD472,758 (2012: AUD437,519) respectively at the balance sheet date. 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 currency. Since no foreign currency rate hedging is made by the Trust, the carrying amounts of the financial instruments in Renminbi and Australian dollar represent the maximum exposure of the Trust to foreign currency risk in respect of Renminbi and Australian dollar.

(ii) Sensitivity analysis

It was estimated that, as at 31 March 2013, should the Renminbi and Australian dollar strengthen / weaken by 5% (2012: 5%) against the Hong Kong dollar, with all other variables being held constant, the surplus of the Trust would increase / decrease by HK\$979,000 (2012: HK\$932,000).

The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred at the year end and for financial assets in existence at that date. The 5% (2012: 5%) strengthening / weakening in Renminbi and Australian dollar represents the assessment by the Trust of a reasonably possible change in foreign exchange rate over the period until the end of next year.

POLICE EDUCATION AND WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 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 according to the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement.

	Level 1	2013	Total
	HK\$	Level 2	HK\$
	HK\$	HK\$	HK\$
Available-for-sale investments:			
Equity securities – listed	7,649,350	-	7,649,350
Debt securities – listed	7,622,645	-	7,622,645
Debt securities – unlisted	-	174,951	174,951
	<u>15,271,995</u>	<u>174,951</u>	<u>15,446,946</u>

	Level 1	2012	Total
	HK\$	Level 2	HK\$
	HK\$	HK\$	HK\$
Available-for-sale investments:			
Equity securities – listed	7,490,750	-	7,490,750
Debt securities – listed	7,847,380	-	7,847,380
Debt securities – unlisted	-	504,173	504,173
	<u>15,338,130</u>	<u>504,173</u>	<u>15,842,303</u>

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

The three levels of the fair value hierarchy are:

Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

POLICE EDUCATION AND WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.

Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

(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:

- (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.

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20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2013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2013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
(審計署首席審計師黃達昌代行)

2013年12月9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

截至二零一三年三月三十一日的資產負債表

	附註	2013 港元	2012 港元
資產			
非流動資產			
可供出售投資	3	14,026,243	15,510,959
持有至到期投資	4	1,215,311	-
		15,241,554	15,510,959
流動資產			
可供出售投資	3	1,420,703	331,344
持有至到期投資	4	9,370,052	6,771,938
應收帳款		157,107	71,945
銀行存款	5	1,935,279	-
現金及現金等值項目	6	5,934,982	8,638,482
		18,818,123	15,813,709
流動負債			
應付帳款		(1,234,564)	(733)
流動資產淨值		17,583,559	15,812,976
資產淨值		32,825,113	31,323,935
權益			
信託基金帳戶	7	32,028,906	30,718,532
公平值儲備		796,207	605,403
權益總額		32,825,113	31,323,935

隨附附註1至10為本財務報表的一部分。

警務處處長曾偉雄
二零一三年十二月九日

警察教育及福利信託基金

截至二零一三年三月三十一日止年度收支帳目

	附註	2013 港元	2012 港元
收入			
捐款		1,410,580	1,400,406
銀行存款的利息收入		68,619	90,267
持有至到期投資的利息收入		165,356	20,805
可供出售投資的利息收入		430,955	440,348
股息收入		239,300	221,565
出售投資的得益		440,268	-
匯兌收益淨額		248,156	226,858
		<u>3,003,234</u>	<u>2,400,249</u>
		-----	-----
支出			
助學金	8	(1,606,660)	(1,614,130)
司庫酬金		(42,000)	(42,000)
雜項支出		(44,200)	(53,629)
出售投資的虧損		-	(91,838)
		<u>(1,692,860)</u>	<u>(1,801,597)</u>
		-----	-----
本年度盈餘		<u>1,310,374</u>	<u>598,652</u>
		=====	=====

隨附附註1至10為本財務報表的一部分。

警察教育及福利信託基金

截至二零一三年三月三十一日止年度全面收益表

	2013 港元	2012 港元
年度盈餘	1,310,374	598,652
其他全面收益 / (支出)		
可供出售投資		
- 公平值變動	448,489	(1,101,156)
- 出售 / 到期後轉撥的公平值收益	(257,685)	(10,625)
	190,804	(1,111,781)
年度全面收益 / (支出)總額	1,501,178	(513,129)
	=====	=====

隨附附註1至10為本財務報表的一部分。

警察教育及福利信託基金

截至二零一三年三月三十一日止年度權益變動表

	信託基金 帳戶	公平值 儲備	總值
	港元	港元	港元
2011年4月1日的結餘	30,119,880	1,717,184	31,837,064
2011-12年度全面支出總額	598,652	(1,111,781)	(513,129)
2012年3月31日的結餘	<u>30,718,532</u>	<u>605,403</u>	<u>31,323,935</u>
2012-13年度全面收益總額	1,310,374	190,804	1,501,178
2013年3月31日的結餘	<u>32,028,906</u>	<u>796,207</u>	<u>32,825,113</u>
	=====	=====	=====

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隨附附註1至10為本財務報表的一部分。

警察教育及福利信託基金

截至二零一三年三月三十一日止年度現金流量表

	附註	2013 港元	2012 港元
營運活動的現金流量			
本年度盈餘		1,310,374	598,652
調整項目：			
利息收入		(664,930)	(551,420)
股息收入		(239,300)	(221,565)
出售投資的(收益) / 虧損		(440,268)	91,838
投資的未兌現匯兌(收益) / 虧損		(169,918)	30,322
出售投資及投資到期的匯兌 (收益) / 虧損		(54,057)	195,865
應付帳款增加 / (減少)		18,520	(221)
匯率變動對現金及現金等值項目的影 響		(30,320)	9,065
		(269,899)	152,536
		(269,899)	152,536
投資活動的現金流量			
購入投資付款		(17,254,692)	(17,172,110)
出售 / 贖回投資的收款		15,898,925	10,459,874
原本超過三個月到期的銀行存款的 減少 / (增長)淨額	5	(1,935,279)	4,511,312
已收利息		587,825	691,204
已收股息		239,300	221,565
		(2,463,921)	(1,288,155)
		(2,463,921)	(1,288,155)
現金及現金等值項目減少淨額		(2,733,820)	(1,135,619)
年初的現金及現金等值項目		8,638,482	9,783,166
匯率變動對現金及現金等值項目的影響		30,320	(9,065)
		5,934,982	8,638,482
	6	5,934,982	8,638,482

隨附附註1至10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）的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在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。

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》

信託基金已採用所有在現屆會計期生效及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劃歸為可供出售投資，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獨立於權益之公平值儲備中累計，但減值虧損和匯兌收益與虧損（如屬債務證券等貨幣項目）則直接在收支帳目中確認。終止確認這些投資時，以往在公平值儲備中確認的累計收益或虧損會在收支帳目中處理。投資的購入及出售採用交易日會計法確認。投資以當時賣盤價作價。

如果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。

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入帳。

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)

(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入帳。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。

就按攤

(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) 現金及現金等值項目

現金及現金等值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。

(h) 應付帳款

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

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)

(i) 收入

- (i) 捐款於收到款項時確認。
- (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。
- (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息法累計確認。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貼現率。

(j) 助學金

助學金準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

	2013 港元	2012 港元
債務證券(按公平值入帳)		
- 非上市	174,951	504,173
- 在香港上市	1,193,117	1,146,052
- 在香港以外地方上市	6,429,528	6,701,328
	7,797,596	8,351,553
股本證券(按公平值入帳)		
- 在香港上市	7,649,350	7,490,750
	<u>15,446,946</u>	<u>15,842,303</u>
	=====	=====
歸類：		
非流動資產	14,026,243	15,510,959
流動資產	1,420,703	331,344
	<u>15,446,946</u>	<u>15,842,303</u>
	=====	=====

4 持有至到期投資

	2013 港元	2012 港元
存款證 (按攤銷成本入帳)		
非流動資產	1,215,311	-
流動資產	9,370,052	6,771,938
	<u>10,585,363</u>	<u>6,771,938</u>
	=====	=====

5 銀行存款

	2013 港元	2012 港元
銀行存款：人民幣1,549,041圓 – (2012: 無)	1,935,279	-
	<u>1,935,279</u>	<u>-</u>
	=====	=====

警察教育及福利信託基金

財務報表附註 (續)

6 現金及現金等值項目

	2013 港元	2012 港元
存放於銀行的存款	5,208,689	7,183,499
銀行現金	726,293	1,454,983
現金及現金等值項目	<u>5,934,982</u>	<u>8,638,482</u>
	=====	=====

現金及現金等值項目包括下列並非以信託基金的功能貨幣為單位的數額。

	2013 港元	2012 港元
澳元：		
15,404澳元 (2012: 80,434澳元)	124,903	647,731
美元：		
401,191美元 (2012: 65,667美元)	3,114,605	509,852
人民幣：		
148,176圓人民幣 (2012: 4,406,435圓人民幣)	185,122	5,425,473
	<u>3,424,630</u>	<u>6,583,056</u>
	=====	=====

7 信託基金帳戶

於二零一三年三月三十一日，信託基金結餘包括2,589,490港元(2012: 2,580,430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；及1,093,434港元(2012: 1,072,754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。

警察教育及福利信託基金

財務報表附註（續）

8 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)的子女的一般教育所提供的書簿津貼和其他津貼。

9 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、應收帳款與現金及現金等值項目。信託基金的金融負債則包括應付帳款。信託基金於截至二零一三年三月三十一日止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較低評級分析如下：

警察教育及福利信託基金

財務報表附註 (續)

9 金融風險管理(續)

	2013 港元	2012 港元
按信貸評級列示存款證		
P-1 / A-1	5,588,002	4,309,415
A1 至 A3 / A+ 至 A-	4,997,361	2,462,523
	<hr/>	<hr/>
	10,585,363	6,771,938
	<hr/>	<hr/>
按信貸評級列示其他債務證券		
Aaa 至 Aa3 / AAA 至 AA-	2,534,126	3,122,043
A1 至 A3 / A+ 至 A-	4,017,718	4,001,373
BBB+ 至 BBB-	1,245,752	1,228,137
	<hr/>	<hr/>
	7,797,596	8,351,553
	<hr/>	<hr/>

至於其他應收帳款，信託基金認為已按情況所需為截至結算日止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所產生的虧損風險。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%(2012年：10%)，信託基金的公平值儲備餘額會因公平值改變而增加 / 減少約 765,000港元(2012年：749,000 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。

警察教育及福利信託基金

財務報表附註（續）

9 金融風險管理（續）

(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現金等值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。

(d) 利率風險

(i) 面對的利率風險

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。本信託基金沒有面對重大的現金流量利率風險，因為其並無持有以市場利率為參考的重大付息金融工具。

本信託基金所面對的利率風險，按各主要付息資產皆以結算日的帳面值列出，並按到期日作分類，列示如下。

警察教育及福利信託基金

財務報表附註 (續)

9 金融風險管理 (續)

(i) 面對的利率風險

	重訂利率期			總額 港元
	三個月 或以下 港元	超過三個月但 不超過一年 港元	超過一年但 不超過五年 港元	
2013				
存款證	-	9,370,052	1,215,311	10,585,363
其他債務證券	-	1,420,703	6,376,893	7,797,596
銀行存款	1,935,279	-	-	1,935,279
	<u>1,935,279</u>	<u>10,790,755</u>	<u>7,592,204</u>	<u>20,318,238</u>
2012				
存款證	3,078,154	3,693,784	-	6,771,938
其他債務證券	-	331,344	8,020,209	8,351,553
	<u>3,078,154</u>	<u>4,025,128</u>	<u>8,020,209</u>	<u>15,123,491</u>

(ii) 敏感度分析

截至二零一三年三月三十一日，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(2012年: 50個基點)，將使信託基金的公平值儲備餘額減少約109,000港元(2012年: 71,000港元)，而利率一般下調50個基點(2012年: 50個基點)，將使公平值儲備增加約112,000港元(2012年: 72,000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。二零一二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)

9 金融風險管理 (續)

(e) 外幣風險

(i) 面對的貨幣風險

信託基金持有以美元、人民幣及澳元為單位，在結算日合計淨值分別為401,049美元 (2012年: 403,834美元)、人民幣12,595,991圓 (2012年: 人民幣12,279,360圓) 及472,758澳元 (2012年: 437,519澳元)的金融資產。港幣與美元於窄幅掛鈎，因此毋須面對重大的外幣風險。由於信託基金並無為人民幣及澳元進行外幣匯率對沖，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面對的最大外幣匯率風險。

(ii) 敏感度分析

截至二零一三年三月三十一日，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% (2012年: 5%)，將使信託基金盈餘增加/減少979,000港元 (2012年: 932,000港元)。

釐定以上敏感度分析時，已假設外幣匯率變動已於年終出現，並已應用於當日存在的外幣金融資產淨值上。人民幣和澳元上升/下跌5% (2012年: 5%)代表信託基金對外幣匯率在直至下年度末期間的合理可能變動所作出的評估。

警察教育及福利信託基金

財務報表附註(續)

9 金融風險管理 (續)

(f) 以公平值列報之金融工具

下表呈列於結算日根據香港財務報告準則第7號《金融工具：披露》所界定之公平值級別中，以公平值列帳之金融工具之帳面值，而各金融工具之公平值按其公平值計量所需輸入的重要數據之級別，按最低級別而整體作出分類。

	第一級 港元	2013 第二級 港元	總額 港元
可供出售投資：			
股本證券			
- 上市	7,649,350	-	7,649,350
債務證券			
- 上市	7,622,645	-	7,622,645
債務證券			
- 非上市	-	174,951	174,951
	<u>15,271,995</u>	<u>174,951</u>	<u>15,446,946</u>

	第一級 港元	2012 第二級 港元	總額 港元
可供出售投資：			
股本證券			
- 上市	7,490,750	-	7,490,750
債務證券			
- 上市	7,847,380	-	7,847,380
債務證券			
- 非上市	-	504,173	504,173
	<u>15,338,130</u>	<u>504,173</u>	<u>15,842,303</u>

年內，第一級及第二級之間並沒有重大調撥。

警察教育及福利信託基金

財務報表附註（續）

9 金融風險管理（續）

公平值的三個級別是：

第一級（最高級別）：以同一金融工具在活躍市場的報價（未經調整）計算其公平值。

第二級：以類似之金融工具在活躍市場的報價，或以估值方法（其中所有輸入的重要數據乃直接或間接以可觀察的市場數據為本）計算其公平值。

第三級（最低級別）：以估值方法（其中輸入的重要數據並非按可觀察的市場數據為本）計算公平值。

(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：

- (i) 遵行《警察教育及福利信託基金條例》的規定，及
- (ii) 維持充裕的基礎，以執行本附註第1點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監察資本，以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
二零一三年三月三十一日
Major Investment of the Police Children's Education Trust
as at 31 March 2013

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 Bk China SG 0% CD 8APR14	2,500,000	97.27627%	3,038,278.72
Bank of East Asia Ltd 3.15% CD 3DEC13	3,000,000	100.31133%	3,759,689.32
China Construction Bk HK 2.69% CD 6MAR14 FXCD	4,500,000	99.77641%	5,609,460.60
China Construction Bk 3.1% CD 4SEP13 SR FXCD	4,000,000	100.00000%	4,997,360.80
定期存款證總值 Sub-Total :			<u>17,404,789.44</u>

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)
Bank of East Asia China 3.65% 11MAY15	1,300,000	101.10138%	1,642,030.24
Baosteel Group Corp Ltd 3.5% 1DEC14 REGS	1,300,000	100.49962%	1,632,256.80
China Resources Power 2.9% 12NOV13 SR A	2,000,000	99.71282%	2,491,504.69
HKCG Finance Ltd 1.4% EMTN 11APR16	3,000,000	95.49980%	3,579,352.18
HSBC Bank Plc 2.875% EMTN 30APR15	2,500,000	102.09299%	3,188,721.91
China Development Bk 2.7% 11NOV13 SR HK	340,000	100.02475%	424,880.80
		(AUD)	(HKD)
Aust & NZ BKG Grp 5% EMTN 25JUL17	250,000	102.18781%	2,071,470.37
SK Telecom Co Ltd 4.75% EMTN 17NOV17	950,000	99.52895%	7,666,773.73
債券總值 Sub-Total :			<u>22,696,990.72</u>

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)
CSOP FTSE CHINA A50 ETF HKD	320,000	10.14000	3,244,800.00
Tracker Fund of Hong Kong	703,500	22.60000	15,899,100.00
單位基金總值 Sub-Total:			<u>19,143,900.00</u>

主要投資項目總市值 Total Market Value of Major Investments : HKD \$59,245,680.16

Disclaimer

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警察教育及福利信託基金之主要投資清單
二零一三年三月三十一日

**Major Investment of the Police Education & Welfare Trust
as at 31 March 2013**

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 Bk China SG 0% CD 8APR14	1,000,000	97.27627%	1,215,311.48
Bank of East Asia Ltd 3.15% CD 3DEC13	1,500,000	100.31133%	1,879,844.66
China Construction Bk HK 2.69% CD 6MAR14 FXCD	2,000,000	99.77641%	2,493,093.60
China Construction Bk 3.1% CD 4SEP13 SR FXCD	4,000,000	100.00000%	4,997,360.80
定期存款證總值 Sub-Total :			<u>10,585,610.54</u>

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)
China Resources Power 2.9% 12NOV13 SR A	1,000,000	99.71282%	1,245,752.34
HKCG Finance Ltd 1.4% EMTN 11APR16	1,000,000	95.49980%	1,193,117.39
HSBC Bank Plc 2.875% EMTN 30APR15	1,200,000	102.09299%	1,530,586.52
China Development Bk 2.7% 11NOV13 SR HK	140,000	100.02475%	174,950.92
		(AUD)	(HKD)
Aust & NZ BKG Grp 5% EMTN 25JUL17	100,000	102.18781%	828,588.13
SK Telecom Co Ltd 4.75% EMTN 17NOV17	350,000	99.52895%	2,824,600.87
債券總值 Sub -Total :			<u>7,797,596.17</u>

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)
CSOP FTSE CHINA A50 ETF HKD	130,000	10.14000	1,318,200.00
Tracker Fund of Hong Kong	281,500	22.60000	6,361,900.00
單位基金總值 Sub-Total:			<u>7,680,100.00</u>

主要投資項目總市值 **Total Market Value of Major Investments : HKD \$26,063,306.71**

Disclaimer

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警察子女教育信託基金之主要捐款者名單
截至二零一三年三月三十一日止年度
**Major Donations to
the Police Children's Education Trust (PCET)
for the Year Ended 31 March 2013**

捐款者姓名 <i>Name of Donor</i>	金額 <i>Amount</i>	捐款於 <i>Donated in</i>
Mr TING Woo-shou, Kenneth 丁午壽先生	\$100,000.00	08.2012
East Ocean • Victoria City Restaurant (HK Group) 東海 • 海都酒家 (香港集團)	\$100,000.00	01.2013

警察教育及福利信託基金之主要捐款者名單
截至二零一三年三月三十一日止年度
**Major Donations to
the Police Education and Welfare Trust (PE&WT)
for the Year Ended 31 March 2013**

捐款者姓名 <i>Name of Donor</i>	金額 <i>Amount</i>	捐款於 <i>Donated in</i>
Hong Kong Police Credit Union 香港警察儲蓄互相社	\$300,000.00	07.2012
Dr TAM Ping-lap 譚炳立博士	\$200,000.00	10.2012
Mrs Sally WONG LEUNG 梁王培芳女士	\$330,000.00	01.2013
Dr Dickson POON 潘迪生先生	\$330,000.00	01.2013
Dr Jimmy WONG 王賜豪醫生	\$100,000.00	01.2013