

SIR MURRAY MACLEHOSE TRUST FUND

Trustee's Report on the administration of the Fund for the year ended 31 March 2017

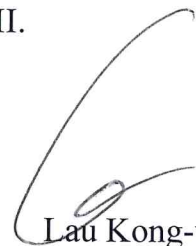
The Sir Murray MacLehose Trust Fund was set up at the suggestion of non-official members of the then Executive and Legislative Councils to commemorate the distinguished service of Lord Murray MacLehose as Governor of Hong Kong from 1971 to 1982. The Sir Murray MacLehose Trust Fund Ordinance (Chapter 1118), enacted on 21 May 1982, provides for the establishment and administration of the Fund. Section 3 of the Ordinance stipulates that the Fund is to be used for the benefit of the people of Hong Kong in such manner as the Chief Executive in his sole discretion may direct.

2. While the Secretary for Home Affairs Incorporated is the trustee of the Fund, the secretariat and accounting work of the Fund is carried out by the Trust Funds and Temples Joint Secretariat. The Director of Audit is appointed by the Chief Executive under Section 7(2) of the Ordinance as the auditor of the Fund's accounts.

3. Under Section 5(2) of the Ordinance, an investment advisory committee (the Committee) has been appointed to give advice on the investment of the Fund. The membership of the Committee for the year under report is at Appendix I. JP Morgan Chase Bank, N.A. has been appointed as the investment manager of the Fund since March 2015 and is responsible for the day-to-day investment management.

4. During the reporting period, the total income of the Fund was HK\$6.59 million and the total expenditure was HK\$0.82 million. No grants had been approved during the year. The Fund recorded a surplus of HK\$5.78 million for 2016-17.

5. As at 31 March 2017, the capital of the Fund was HK\$50.49 million and the accumulated surplus was HK\$31.59 million. The audited Financial Statements of the Fund for the year ended 31 March 2017 is at Appendix II.



Lau Kong-wah

Secretary for Home Affairs Incorporated
Trustee

MacLehose Fund
6 December 2017

SIR MURRAY MACLEHOSE TRUST FUND

**Membership of the Investment Advisory Committee
(1.4.2016 – 31.3.2017)**

Mr LEE Kwan-ho, Vincent Marshall (Chairman)

Miss CHOY Chi-ting, Eva

Dr LAM Lee G

Mr SZE Wine-him, Jaime, JP

Ms ZEE Helen



MacLehose Fund

Financial statements for the year ended 31 March 2017

Report of the Director of Audit



Audit Commission

The Government of the Hong Kong Special Administrative Region

Independent Auditor's Report To the Legislative Council

Opinion

I certify that I have audited the financial statements of the MacLehose Fund set out on pages 4 to 14, which comprise the balance sheet as at 31 March 2017, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the financial position of the MacLehose Fund as at 31 March 2017, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in accordance with section 7(1) of the Sir Murray MacLehose Trust Fund Ordinance (Cap. 1118).

Basis for opinion

I conducted my audit in accordance with section 7(2) of the Sir Murray MacLehose Trust Fund Ordinance and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I am independent of the MacLehose Fund in accordance with those standards, and I have fulfilled my other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to Note 3 to the financial statements which discloses that part of the investments of the MacLehose Fund, amounting to HK\$13,922,788 as at 31 March 2017,

are not regarded as authorised by section 4 of the Trustee Ordinance (Cap. 29) and are not expressly authorised by the Chief Executive, and the actions taken to divest those investments. My opinion is not qualified in respect of this matter.

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

The Secretary for Home Affairs Incorporated is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and section 7(1) of the Sir Murray MacLehose Trust Fund Ordinance, and for such internal control as the Secretary for Home Affairs Incorporated determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MacLehose Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary for Home Affairs Incorporated;
- conclude on the appropriateness of the Secretary for Home Affairs Incorporated's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the MacLehose Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the MacLehose Fund to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

6 December 2017

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

MACLEHOSE FUND

BALANCE SHEET AS AT 31 MARCH 2017

	Note	2017 HK\$	2016 HK\$
CURRENT ASSETS			
Financial assets at fair value through profit or loss	3	27,691,530	70,714,021
Cash and cash equivalents	4	54,473,043	5,668,014
		<hr/>	<hr/>
		82,164,573	76,382,035
CURRENT LIABILITIES			
Provision for staff gratuity		(25,818)	(24,395)
Provision for untaken leave		(2,906)	(2,551)
Accounts payable		(53,574)	(49,690)
		<hr/>	<hr/>
		(82,298)	(76,636)
		<hr/>	<hr/>
		82,082,275	76,305,399
ACCUMULATED FUND			
Capital		50,488,157	50,488,157
Accumulated surplus		31,594,118	25,817,242
		<hr/>	<hr/>
		82,082,275	76,305,399
		<hr/>	<hr/>

The accompanying notes 1 to 8 form part of these financial statements.


(Lau Kong-wah)
Secretary for Home Affairs Incorporated
Trustee
MacLehose Fund
6 December 2017

MACLEHOSE FUND

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 HK\$	2016 HK\$
INCOME			
Dividends		38,581	20,092
Interest	5	21,612	4,377
Gains on disposal of financial assets at fair value through profit or loss		4,435,742	-
Unrealised gains on financial assets at fair value through profit or loss		2,097,772	-
		6,593,707	24,469
EXPENDITURE			
Staff cost		(203,493)	(223,222)
Losses on disposal of financial assets at fair value through profit or loss		-	(836,479)
Unrealised losses on financial assets at fair value through profit or loss		-	(4,439,449)
Investment management fees and charges		(606,196)	(603,408)
Exchange losses		(6,492)	(119,976)
Other operational expenses		(650)	(100)
		(816,831)	(6,222,634)
SURPLUS/(DEFICIT) FOR THE YEAR		5,776,876	(6,198,165)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		5,776,876	(6,198,165)

The accompanying notes 1 to 8 form part of these financial statements.

MACLEHOSE FUND

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

	Capital HK\$	Accumulated surplus HK\$	Total HK\$
Balance at 1 April 2015	50,488,157	32,015,407	82,503,564
Total comprehensive loss for 2015-16	-	(6,198,165)	(6,198,165)
Balance at 31 March 2016	50,488,157	25,817,242	76,305,399
Total comprehensive income for 2016-17	-	5,776,876	5,776,876
Balance at 31 March 2017	50,488,157	31,594,118	82,082,275

The accompanying notes 1 to 8 form part of these financial statements.

MACLEHOSE FUND

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

	Note	2017 HK\$	2016 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the year		5,776,876	(6,198,165)
Adjustments for:			
Dividends		(38,581)	(20,092)
Interest		(21,612)	(4,377)
(Gains)/Losses on disposal of financial assets at fair value through profit or loss		(4,435,742)	836,479
Unrealised (gains)/losses on financial assets at fair value through profit or loss		(2,097,772)	4,439,449
Acquisition of financial assets at fair value through profit or loss		(45,429,475)	(113,716,545)
Proceeds from disposal of financial assets at fair value through profit or loss		94,985,480	37,726,596
Increase in provision for staff gratuity		1,423	7,221
Increase in provision for untaken leave		355	868
Increase in accounts payable		3,884	49,690
Exchange difference		(46,246)	68,143
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		48,698,590	(76,810,733)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		38,581	20,092
Interest received		21,612	4,377
NET CASH FROM INVESTING ACTIVITIES		60,193	24,469
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		48,758,783	(76,786,264)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,668,014	82,522,421
Effect of exchange rate changes on cash and cash equivalents		46,246	(68,143)
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	54,473,043	5,668,014

The accompanying notes 1 to 8 form part of these financial statements.

MACLEHOSE FUND

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

The MacLehose Fund (the Fund) was established in 1982 for the benefit of the people of Hong Kong and is applied in such manner as the Chief Executive in his sole discretion may direct in accordance with section 3 of the Sir Murray MacLehose Trust Fund Ordinance (Cap. 1118). The address of the Fund's principal place of business is 34th Floor, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with section 7(1) of the Sir Murray MacLehose Trust Fund Ordinance and all applicable Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants.

(b) Basis of preparation

The financial statements have been prepared on an accrual basis and under the historical cost convention except that financial assets at fair value through profit or loss 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.

(c) Adoption of new/revised HKFRSs

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

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

(d) Financial assets and financial liabilities

The Fund's financial assets and financial liabilities include financial assets at fair value through profit or loss, cash and cash equivalents and accounts payable.

Financial assets at fair value through profit or loss are designated as such upon initial recognition as they are managed and their performance is evaluated on a fair value basis. Financial assets under this category are carried at fair value. Changes in fair values are recognised in the income and expenditure account in the period in which they arise. Upon disposal, the difference between the net proceeds and the carrying value is included in the income and expenditure account.

Other financial assets are carried at amortised cost using the effective interest method, less impairment losses (if any). Financial liabilities are carried at amortised cost using the effective interest method.

(e) Foreign currency translation

Hong Kong dollar is the currency of the primary economic environment in which the Fund operates. Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income and expenditure account.

(f) Revenue recognition

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

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank and placements with a financial institution.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 HK\$	2016 HK\$
Equity funds		
Listed outside Hong Kong	-	10,928,403
Unlisted	4,812,894	20,601,522
	4,812,894	31,529,925
Bond funds		
Unlisted	8,955,848	18,344,803
Hedge funds		
Unlisted	13,922,788	18,517,845
Structured notes		
Unlisted	-	2,321,448
	<u>27,691,530</u>	<u>70,714,021</u>
	=====	=====

- (a) Under section 5 of the Sir Murray MacLehose Trust Fund Ordinance, the Trustee of the Fund may invest any moneys of the Fund in such investments as the Chief Executive may direct, whether or not such investments are investments authorised by section 4 of the Trustee Ordinance (Cap. 29). Among the investments of the Fund as at the balance sheet date, the following are not regarded as authorised by section 4 of the Trustee Ordinance:

	2017 HK\$	2016 HK\$
Equity funds	-	26,266,944
Bond funds	-	7,335,573
Hedge funds	13,922,788	18,517,846
Structured notes	-	2,321,448
	<u>13,922,788</u>	<u>54,441,811</u>
	=====	=====

- (b) For the purpose of advising the Chief Executive on investments of the Fund, an investment advisory committee (IAC) has been appointed by the Secretary for Home Affairs under delegated authority from the Chief Executive. All investments of the Fund, including those not regarded as authorised under the Trustee Ordinance, are deliberated and approved by the IAC at meetings with the presence of the representative of the Secretary for Home Affairs Incorporated (SHAI). This notwithstanding, there is no expressed delegation from the Chief Executive to SHAI to act on the advice of the IAC for investments which are not authorised by section 4 of the Trustee Ordinance. Hence the investments as set out in (a) above are not expressly authorised by the Chief Executive.

- (c) Actions have been taken by the Fund to divest investments which are not expressly authorised by the Chief Executive. To this end, by 31 March 2017, the Fund has already disposed of the majority of these unauthorised investments (all of the equity funds, bond funds and structured notes and part of the hedge funds). Divestment of the remaining unauthorised investments (part of the hedge funds) is scheduled for completion by July 2018, the valuation of which as at 31 March 2017 was HK\$13,922,788.
- (d) Unless with the authorisation of the Chief Executive or authorisation under his delegated authority, the Fund will only make investments that are authorised by section 4 of the Trustee Ordinance.

4. CASH AND CASH EQUIVALENTS

	2017 HK\$	2016 HK\$
Placements with a financial institution	54,127,766	5,360,827
Cash at bank	345,277	307,187
	<hr/> 54,473,043 <hr/> <hr/>	<hr/> 5,668,014 <hr/> <hr/>

5. INTEREST

	2017 HK\$	2016 HK\$
Interest on bank deposits and cash and cash equivalents	21,612	4,377
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6. FINANCIAL RISK MANAGEMENT

The major risks associated with the Fund'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. The Fund's credit risk is primarily attributable to cash and cash equivalents. To minimise the credit risk, all placements of cash are made with reputable financial institutions.

The maximum exposure to credit risk as at the balance sheet date in relation to cash and cash equivalents is the carrying amount of those assets as stated in the balance sheet.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. In the management of liquidity risk, the Fund maintains a level of cash and cash equivalents that is considered adequate to finance its operations.

(c) Market risk

The Fund maintains a diversified portfolio of investments managed by a professional fund manager. The Investment Advisory Committee, appointed under section 5(2) of the Sir Murray MacLehose Trust Fund Ordinance, monitors the performance of the portfolio and regularly reviews the investment strategy of the Fund in order to manage its market risk.

(i) Price risk

The Fund is exposed to financial risk arising from changes in market prices of financial assets at fair value through profit or loss. It was estimated that as at 31 March 2017, if market prices of these investments had been 10% higher/lower, with all other variables being held constant, the surplus of the Fund for the year would increase/decrease by HK\$2,769,000 (2016: deficit of the Fund would decrease/increase by HK\$7,071,000) and the accumulated surplus would increase/decrease by HK\$2,769,000 (2016: HK\$7,071,000).

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in currency exchange rates. The Fund's financial instruments denominated in currencies other than the Hong Kong dollar are exposed to currency risk.

As at the balance sheet date, the net exposure of the Fund to each foreign currency arising from financial instruments is shown below:

	2017	2016
	HK\$	HK\$
US dollar	81,765,788	69,775,609
Japanese yen	-	1,804,970
Euro	-	4,444,578
	<u>81,765,788</u>	<u>76,025,157</u>

As the Hong Kong dollar is pegged to the US dollar within a narrow range, it is considered that the Fund has no significant exposure to foreign exchange risk relating to the US dollar.

7. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

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

	2017			
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
Equity funds				
Unlisted	-	4,812,894	-	4,812,894
Bond funds				
Unlisted	-	8,955,848	-	8,955,848
Hedge funds				
Unlisted	-	-	13,922,788	13,922,788
	-	13,768,742	13,922,788	27,691,530

	2016			
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
Equity funds				
Listed outside Hong Kong	10,928,403	-	-	10,928,403
Unlisted	-	20,601,522	-	20,601,522
	10,928,403	20,601,522	-	31,529,925
Bond funds				
Unlisted	-	18,344,803	-	18,344,803
Hedge funds				
Unlisted	-	-	18,517,845	18,517,845
Structured notes				
Unlisted	-	-	2,321,448	2,321,448
	10,928,403	38,946,325	20,839,293	70,714,021

The three levels of the fair value hierarchy are:

Level 1: fair values are quoted prices (unadjusted) in active markets for identical financial instruments at the measurement date;

Level 2: fair values are determined with inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: fair values are determined with inputs that are not based on observable market data (unobservable inputs).

(b) Valuation techniques and key inputs

The fair value of listed equity funds classified under Level 1 is based on quoted market prices in active markets for identical assets at the balance sheet date.

In the absence of quoted market prices in active markets, the fair value of unlisted equity and bond funds under Level 2 is estimated by making reference to valuation reports provided by the fund manager. Key inputs used to value these financial instruments include quoted market price or broker quotes for similar instruments.

For investments in unlisted hedge funds and structured notes under Level 3, their fair values are estimated by making reference to valuation reports provided by the fund manager. It is not practicable to quote a range of key unobservable inputs.

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

8. CAPITAL MANAGEMENT

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

- (a) to comply with the Sir Murray MacLehose Trust Fund Ordinance; and
- (b) to maintain a strong capital base for carrying out the purpose of the Fund as stated in note 1 above.

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

麥理浩爵士信託基金
受託人管理報告
截至二零一七年三月三十一日年報

麥理浩爵士信託基金是按照前行政立法兩局非官守議員建議而設立的，旨在表揚麥理浩勳爵於一九七一至一九八二年出任香港總督期間，為香港所作出的重大貢獻。《麥理浩爵士信託基金條例》(第 1118 章)於一九八二年五月二十一日制定，為基金的設立和管理作出規定。該條例第 3 條訂明，基金須以當時的行政長官憑其完全酌情權而指示的方式，為香港人的利益予以運用。

二. 基金的受託人為民政事務局局長法團。基金的秘書處服務及帳務工作由信託基金及廟宇聯合秘書處負責。行政長官並按照該條例第 7(2)條的規定，委任審計署署長為基金帳目的核數師。

三. 當局按照該條例第 5(2)條的規定，委出一個投資顧問委員會(委員會)，負責就基金的投資事宜提供意見。應屆委員名單見附錄一。由二零一五年三月起，摩根大通銀行獲委任為基金的投資經理，負責日常投資管理。

四. 在報告期內，基金的總收入為 659 萬港元，而總支出為 82 萬港元。基金於年度內並未有批出撥款資助。基金於二零一六至二零一七年度的盈餘為 578 萬港元。

五. 截至二零一七年三月三十一日，基金的資本為 5,049 萬港元，而累積盈餘為 3,159 萬港元。截至二零一七年三月三十一日經審核的年度財務報表載於附錄二。

劉江華
民政事務局局長法團
麥理浩基金受託人
二零一七年十二月六日

麥理浩爵士信託基金

**投資顧問委員會成員名單
(1.4.2016 – 31.3.2017)**

李君豪先生 (主席)

蔡志婷女士

林家禮博士

施榮忻先生, JP

徐閔女士

麥理浩基金

截至 2017 年 3 月 31 日止年度的財務報表

審計署署長報告



香港特別行政區政府
審計署

獨立審計師報告 致立法會

意見

茲證明我已審計列載於第4至14頁的麥理浩基金財務報表，該等財務報表包括於2017年3月31日的資產負債表與截至該日止年度的收支帳目、權益變動表和現金流量表，以及財務報表的附註，包括主要會計政策概要。

我認為，該等財務報表已按照香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映麥理浩基金於2017年3月31日的財務狀況及截至該日止年度的財務表現和現金流量，並已按照《麥理浩爵士信託基金條例》(第1118章)第7(1)條妥為擬備。

意見的基礎

我已按照《麥理浩爵士信託基金條例》第7(2)條及審計署的審計準則進行審計。我根據該等準則而須承擔的責任，詳載於本報告「*審計師就財務報表審計而須承擔的責任*」部分。根據該等準則，我獨立於麥理浩基金，並已按該等準則履行其他道德責任。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。

強調事項

謹請注意財務報表附註3披露了基金的部分投資(款額於2017年3月31日為13,922,788港元)不被視為已根據《受託人條例》(第29章)第4條獲得特准，且未獲得行政長官明確特准，以及為出售該等投資而採取的行動。我並未因此事而發出有保留意見。

民政事務局局長法團就財務報表而須承擔的責任

民政事務局局長法團須負責按照香港會計師公會頒布的《香港財務報告準則》及《麥理浩爵士信託基金條例》第7(1)條擬備真實而中肯的財務報表，及落實其認為必要的內部控制，使財務報表不存有因欺詐或錯誤而導致的重大錯誤陳述。

在擬備財務報表時，民政事務局局長法團須負責評估麥理浩基金持續經營的能力，以及在適用情況下披露與持續經營有關的事項，並以持續經營作為會計基礎。

審計師就財務報表審計而須承擔的責任

我的目標是就整體財務報表是否不存有任何因欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出包括我意見的審計師報告。合理保證是高水平的保證，但不能確保按審計署審計準則進行的審計定能發現所存有的任何重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或滙總起來可能影響財務報表使用者所作出的經濟決定，則會被視作重大錯誤陳述。

在根據審計署審計準則進行審計的過程中，我會運用專業判斷並秉持專業懷疑態度。我亦會：

- 識別和評估因欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險；設計及執行審計程序以應對這些風險；以及取得充足和適當的審計憑證，作為我意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕內部控制的情況，因此未能發現因欺詐而導致重大錯誤陳述的風險，較未能發現因錯誤而導致者為高；
- 了解與審計相關的內部控制，以設計適當的審計程序。然而，此舉並非旨在對麥理浩基金內部控制的有效性發表意見；
- 評價民政事務局局長法團所採用的會計政策是否恰當，以及其作出的會計估計和相關資料披露是否合理；

- 一 判定民政事務局局長法團以持續經營作為會計基礎的做法是否恰當，並根據所得的審計憑證，判定是否存在與事件或情況有關，而且可能對麥理浩基金持續經營的能力構成重大疑慮的重大不確定性。如果我認為存在重大不確定性，則有必要在審計師報告中請使用者留意財務報表中的相關資料披露。假若所披露的相關資料不足，我便須發出非無保留意見的審計師報告。我的結論是基於截至審計師報告日止所取得的審計憑證。然而，未來事件或情況可能導致麥理浩基金不能繼續持續經營；及
- 一 評價財務報表的整體列報方式、結構和內容，包括披露資料，以及財務報表是否中肯反映交易和事項。

審計署署長
首席審計師
梁家倫代行
2017年12月6日

審計署
香港灣仔
告士打道7號
入境事務大樓26樓

麥理浩基金

二零一七年三月三十一日資產負債表

	附註	2017 港元	2016 港元
流動資產			
按公平值經損益帳列帳之 金融資產	3	27,691,530	70,714,021
現金及等同現金項目	4	54,473,043	5,668,014
		<hr/>	<hr/>
		82,164,573	76,382,035
流動負債			
職員約滿酬金撥備		(25,818)	(24,395)
未放取假期撥備		(2,906)	(2,551)
應付帳項		(53,574)	(49,690)
		<hr/>	<hr/>
		(82,298)	(76,636)
		<hr/>	<hr/>
		82,082,275	76,305,399
累積基金			
資本		50,488,157	50,488,157
累積盈餘		31,594,118	25,817,242
		<hr/>	<hr/>
		82,082,275	76,305,399
		<hr/>	<hr/>

隨附附註 1 至 8 為本財務報表的一部分。

劉江華
民政事務局局長法團
麥理浩基金受託人
二零一七年十二月六日

麥理浩基金

截至二零一七年三月三十一日止年度收支帳目

	附註	2017 港元	2016 港元
收入			
股息		38,581	20,092
利息	5	21,612	4,377
出售按公平值經損益帳列帳之金融 資產的收益		4,435,742	-
按公平值經損益帳列帳之金融 資產的未實現收益		2,097,772	-
		<hr/>	<hr/>
		6,593,707	24,469
		<hr/>	<hr/>
支出			
職員薪酬		(203,493)	(223,222)
出售按公平值經損益帳列帳之金融 資產的虧損		-	(836,479)
按公平值經損益帳列帳之金融 資產的未實現虧損		-	(4,439,449)
投資管理費及費用		(606,196)	(603,408)
兌換虧損		(6,492)	(119,976)
其他營運開支		(650)	(100)
		<hr/>	<hr/>
		(816,831)	(6,222,634)
		<hr/>	<hr/>
年度盈餘/(虧絀)		5,776,876	(6,198,165)
其他全面收益		-	-
		<hr/>	<hr/>
年度全面收益/(虧損)總額		5,776,876	(6,198,165)
		<hr/> <hr/>	<hr/> <hr/>

隨附附註 1 至 8 為本財務報表的一部分。

麥理浩基金

截至二零一七年三月三十一日止年度權益變動表

	資本 港元	累積盈餘 港元	總額 港元
2015年4月1日結餘	50,488,157	32,015,407	82,503,564
2015-16 全面虧損總額	-	(6,198,165)	(6,198,165)
2016年3月31日結餘	50,488,157	25,817,242	76,305,399
2016-17 全面收益總額	-	5,776,876	5,776,876
2017年3月31日結餘	50,488,157	31,594,118	82,082,275

隨附附註 1 至 8 為本財務報表的一部分。

麥理浩基金

截至二零一七年三月三十一日止年度現金流量表

	附註	2017 港元	2016 港元
營運活動現金流量			
年度盈餘/(虧絀)		5,776,876	(6,198,165)
調整項目：			
股息		(38,581)	(20,092)
利息		(21,612)	(4,377)
出售按公平值經損益帳列帳之 金融資產的(收益)/虧損		(4,435,742)	836,479
按公平值經損益帳列帳之 金融資產的未實現(收益)/虧損		(2,097,772)	4,439,449
購買按公平值經損益帳列帳之金融資產		(45,429,475)	(113,716,545)
出售按公平值經損益帳列帳之 金融資產所收款項		94,985,480	37,726,596
職員約滿酬金撥備增加		1,423	7,221
未放取假期撥備增加		355	868
應付帳項增加		3,884	49,690
兌換差額		(46,246)	68,143
營運活動所得/(所用)現金淨額		<u>48,698,590</u>	<u>(76,810,733)</u>
投資活動現金流量			
已收股息		38,581	20,092
已收利息		21,612	4,377
投資活動所得現金淨額		<u>60,193</u>	<u>24,469</u>
現金及等同現金項目增加/(減少)淨額		48,758,783	(76,786,264)
年初現金及等同現金項目的結餘		5,668,014	82,522,421
匯率變動對現金及等同現金項目的影響		46,246	(68,143)
年終現金及等同現金項目的結餘	4	<u><u>54,473,043</u></u>	<u><u>5,668,014</u></u>

隨附附註 1 至 8 為本財務報表的一部分。

麥理浩基金
財務報表附註

1. 概況

麥理浩基金(基金)於一九八二年設立，根據《麥理浩爵士信託基金條例》(第 1118 章)第 3 條的規定，依行政長官憑其完全酌情決定權而指示的方式，為香港人的利益而運用這基金。基金主要業務地址為香港灣仔皇后大道東 213 號胡忠大廈 34 樓。

2. 主要會計政策

(a) 符合準則聲明

財務報表是根據《麥理浩爵士信託基金條例》第 7(1)條及香港會計師公會頒佈之《香港財務報告準則》的所有適用規定擬備。

(b) 擬備基準

財務報表是按應計記帳方式及歷史成本法擬備，惟按公平值經損益帳列帳之金融資產則除外，如下文所載之會計政策附註 2(d)所解釋，該等資產按公平值列帳。

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

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

(c) 採納新訂/經修訂《香港財務報告準則》

基金已採納與基金有關並於本財政年度生效之新訂/經修訂的《香港財務報告準則》。

基金並沒有提早採用於本財政年度未生效之修訂、新準則及詮釋。基金正就該等修訂、新準則及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，基金得出的結論為採納該等修訂、新準則及詮釋不大可能會對基金的運作及財務狀況構成重大影響。

(d) 金融資產及金融負債

基金的金融資產及金融負債包括按公平值經損益帳列帳之金融資產，現金及等同現金項目及應付帳項。

按公平值經損益帳列帳之金融資產於初始確認時指定以此分類列帳，因其以公平值管理及作業績評估。此類金融資產以公平值列帳。公平值之變動在其產生年度的收支帳目內確認入帳。出售時，出售所得款項淨額與帳面值之間的差額均在收支帳目內確認入帳。

其他金融資產採用實際利率法，於扣除減值損失(如有)後按攤銷成本列帳。金融負債採用實際利率法按攤銷成本列帳。

(e) 外幣折算

港元是基金的主要經濟營運環境的貨幣。年內的外幣交易按交易日的匯率換算為港元。而以外幣為計值單位的貨幣資產和負債則按結算日的匯率換算為港元。所有匯兌收益及虧損均在收支帳目內入帳。

(f) 收入確認

利息收入是採用實際利率法按應計金額確認入帳。股息收入於基金收取該股息之權利確立後入帳。

(g) 現金及等同現金項目

就現金流量表而言，現金及等同現金項目包括存放於銀行及一間金融機構的款項。

3. 按公平值經損益帳列帳之金融資產

	2017 港元	2016 港元
股票基金		
於香港以外上市	-	10,928,403
非上市	4,812,894	20,601,522
	4,812,894	31,529,925
債券基金		
非上市	8,955,848	18,344,803
對沖基金		
非上市	13,922,788	18,517,845
結構性票據		
非上市	-	2,321,448
	27,691,530	70,714,021

- (a) 根據《麥理浩爵士信託基金條例》第 5 條的規定，基金受託人可將基金的任何款項投資在行政長官指示的投資項目，而不論該等投資項目是否《受託人條例》(第 29 章)第 4 條所特准的投資項目。於結算日，基金的以下投資項目不被視作《受託人條例》第 4 條所特准的投資項目：

	2017 港元	2016 港元
股票基金	-	26,266,944
債券基金	-	7,335,573
對沖基金	13,922,788	18,517,846
結構性票據	-	2,321,448
	<u>13,922,788</u>	<u>54,441,811</u>
	=====	=====

- (b) 民政事務局局長已根據行政長官轉授的權力，委出一個投資顧問委員會，以便就基金的投資項目向行政長官提供意見。基金的所有投資項目，包括不被視作《受託人條例》所特准者，均由該投資顧問委員會在有民政事務局局長法團代表出席的會議上加以審議及通過。然而，對於並非《受託人條例》第 4 條所特准的投資項目，行政長官並無明確授權民政事務局局長法團按照投資顧問委員會的意見行事。故此，於上文(a)項所列的投資項目並沒有獲得行政長官的明確特准。
- (c) 基金已採取行動，出售並沒有獲得行政長官明確特准的投資項目。為此，基金已在二零一七年三月三十一日或之前，出售大部分非特准投資項目（包括所有股票基金、債券基金和結構性票據，以及部分對沖基金）。於二零一七年三月三十一日估值為 13,922,788 港元的其餘非特准投資項目(即部分對沖基金)，則訂於二零一八年七月或之前完成出售交易。
- (d) 除獲行政長官特准或根據其轉授的權力而獲得特准外，基金只會進行投資於《受託人條例》第 4 條所特准的投資項目。

4. 現金及等同現金項目

	2017 港元	2016 港元
金融機構存款	54,127,766	5,360,827
銀行存款	345,277	307,187
	<u>54,473,043</u>	<u>5,668,014</u>
	=====	=====

5. 利息

	2017 港元	2016 港元
銀行存款利息及現金及等同現金項目利息	21,612	4,377
	=====	=====

6. 財務風險管理

與基金的金融工具有關之主要風險載於下文。

(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。基金的信貸風險主要是由現金及等同現金項目所致。為了減少信貸風險，所有現金存款存放在香港信譽良好的金融機構。

於結算日，有關現金及等同現金項目所須承擔的最高信貸風險數額為資產負債表所列相關資產的帳面值。

(b) 流動資金風險

流動資金風險是指基金在履行與金融負債相關的責任時遇到困難的風險。於管理流動資金風險時，基金維持足夠現金及等同現金項目為營運提供資金。

(c) 市場風險

基金持有一個由專業基金經理所管理的分散投資組合。為管理相關市場風險，基金按照《麥理浩爵士信託基金條例》第 5(2)條的規定委出投資顧問委員會，負責監察基金投資組合的業績及定期檢討基金的投資策略。

(i) 價格風險

基金承受因按公平值經損益帳列帳之金融資產的市場價格變動而引致的金融風險。於二零一七年三月三十一日，假如有關的投資項目的市場價格上升/下降 10%，而其他變數保持不變，基金的年度盈餘估計會增加/減少約 2,769,000 港元 (2016 年: 基金的虧絀估計會減少/增加約 7,071,000 港元)及累積盈餘估計會增加/減少約 2,769,000 港元 (2016 年: 7,071,000 港元)。

(ii) 貨幣風險

貨幣風險是指金融工具的公平值或未來現金流量由於貨幣匯率變動而波動的風險。基金以港元以外的貨幣為面值的金融工具會承受貨幣風險。

於結算日，基金的金融工具承受的外匯風險淨值列示如下：

	2017 港元	2016 港元
美元	81,765,788	69,775,609
日圓	-	1,804,970
歐羅	-	4,444,578
	<u>81,765,788</u>	<u>76,025,157</u>
	=====	=====

由於港元是與美元在一個窄幅的區域掛鈎，基金認為面對美元的外匯風險不大。

7. 公平值計量

(a) 公平值等級制

下表呈列於結算日以公平值定期計量的金融工具的帳面值，並按《香港財務報告準則》第 13 號“公平值之計量”所訂定的三個公平值等級分類。

	2017			總額 港元
	第一級 港元	第二級 港元	第三級 港元	
按公平值經損益帳列帳之金融資產				
股票基金				
非上市	-	4,812,894	-	4,812,894
債券基金				
非上市	-	8,955,848	-	8,955,848
對沖基金				
非上市	-	-	13,922,788	13,922,788
	<u>-</u>	<u>13,768,742</u>	<u>13,922,788</u>	<u>27,691,530</u>
	=====	=====	=====	=====

2016

	第一級 港元	第二級 港元	第三級 港元	總額 港元
按公平值經損益帳列帳之金融資產				
股票基金				
於香港以外上市	10,928,403	-	-	10,928,403
非上市	-	20,601,522	-	20,601,522
	10,928,403	20,601,522	-	31,529,925
債券基金				
非上市	-	18,344,803	-	18,344,803
對沖基金				
非上市	-	-	18,517,845	18,517,845
結構性票據				
非上市	-	-	2,321,448	2,321,448
	10,928,403	38,946,325	20,839,293	70,714,021

這三級公平值等級為：

第一級：公平值只使用在計量日相同的金融工具於活躍市場的報價(未經調整)；

第二級：公平值使用對資產或負債可直接或間接地觀察到的參數(第一級所涵蓋的市場報價除外)而釐定；及

第三級：公平值使用並非基於可觀察市場數據的參數(不可觀察參數)而釐定。

(b) 估值方法及主要參數

列入第一級的上市股票基金的公平值是以於結算日相同資產於活躍市場的報價為基礎。

由於在活躍市場沒有報價，列入第二級的非上市股票基金和債券基金的公平值是參照投資經理所提供的估值報告，從而估計公平值。就有關金融工具進行估值所用的主要參數包括相若金融工具的市場報價或經紀報價。

被列入為第三級的非上市對沖基金及結構性票據，都是參照投資經理所提供的估值報告，從而估計公平值。就此等金融工具的公平值提供一系列主要不可觀察參數並不可行。

所有其餘金融資產和金融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。

8. 資本管理

基金之資本結構包括資本及累積盈餘。基金管理資本的目的為：

- (a) 符合《麥理浩爵士信託基金條例》的規定；及
- (b) 保持穩健的資本根基以達成如上文附註 1 所列基金的目的。

基金監察其資本並定期檢討資本的水平，以確保在顧及預算現金流量的需要及將來財務承擔之餘，亦有足夠資金提供資助及應付開支。