

Report on the Administration of the  
Fire Services Department Welfare Fund (FSDWF)  
for the year ended 31 March 2019

Income and Expenditure

The income of the Fund for the year under report amounted to \$2,197,321, a decrease of \$1,244,897 compared with the previous year's total of \$ 3,442,218. The income was derived from the following sources:-

Fees for Firemen's Services: Fire-fighting Training Courses provided to non-Fire Services members	\$757,800
Interests on loans and fixed deposits	\$487,389
Profit on sales of souvenirs financed by FSDWF	\$7,504
Donations received from the general public and departmental collections	\$303,138
Donations for Shaw Run Run Fund	<u>\$641,490</u>
	<u>\$2,197,321</u>

2. Expenditure increased from last year's figure of \$1,967,939 to \$2,059,071 and was incurred mainly on the following items:-

Subsidies to welfare functions and activities organized by FSD staff members	\$1,444,049
Payments to deceased officers' families	\$21,107
Shaw Run Run Fund Scholarships awarded to the successful applicants	\$190,000
Education expenses for the late Principal Fireman LEUNG Kwok-kei's daughter	\$59,290
Dr. Cheng Yu-tung Education Fund (Formerly named as "Chow Tai Fook Fund") Scholarships awarded to the successful applicants	\$300,000
Education expenses for the late Principal Fireman YAU Siu-ming's son	\$44,625
	<u>\$2,059,071</u>

Loans

3. Three members applied for and received General Loans amounting to \$75,000 for the year.

Assets and Liabilities

4. The excess of income over expenditure for the year has increased the accumulated fund from \$36,242,670 in the previous year to the present level of \$36,380,920 (each of the two figures excludes \$2,000,000 of Capital of Frederick Watson Fund and CHENG Yu-tung Fund).

General

5. The income under the General Account has decreased by \$87,447 in the year mainly due to a decrease in donations received from general public as compared with last year. The expenditure has increased by \$2,532 mainly due to an increase in expenditure for other staff welfare. As expenditure exceeds income, there is a deficit of \$107 for the General Account.

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# Fire Services Department Welfare Fund

Financial statements for the year ended 31 March 2019

# 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 Fire Services Department Welfare Fund set out on pages 4 to 33, which comprise the balance sheet as at 31 March 2019, 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 Fire Services Department Welfare Fund as at 31 March 2019, 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 10(1)(b) of the Fire Services Department (Welfare Fund) Regulation (Cap. 95 sub. leg. E).

### *Basis for opinion*

I conducted my audit in accordance with section 11(3) of the Fire Services Department (Welfare Fund) Regulation 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 Fire Services Department Welfare Fund in accordance with those standards, and I have fulfilled my other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Responsibilities of the Director of Fire Services Incorporated for the financial statements*

The Director of Fire Services 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 10(1)(b) of the Fire Services Department (Welfare Fund) Regulation, and for such



internal control as the Director of Fire Services 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 Director of Fire Services Incorporated is responsible for assessing the Fire Services Department Welfare 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 Fire Services Department Welfare Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director of Fire Services Incorporated;
- conclude on the appropriateness of the Director of Fire Services 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 Fire Services Department Welfare 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 Fire Services Department Welfare 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

27 September 2019

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

**Fire Services Department Welfare Fund  
Balance Sheet as at 31 March 2019**

	Note	2019 HK\$	2018 HK\$
<b>GENERAL ACCOUNT</b>			
<b>NON-CURRENT ASSETS</b>			
General loans	3(a)	3,750	-
<b>CURRENT ASSETS</b>			
Stock of souvenirs		292,013	258,138
General loans	3(a)	80,000	51,250
Accrued bank interest		81,672	48,921
Accrued loan interest		33	3
Bank deposits		7,480,433	7,365,588
Cash and cash equivalents	3(b)	18,525,601	18,715,038
		<u>26,459,752</u>	<u>26,438,938</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable		48,871	200
Deferred revenue		-	24,000
		<u>48,871</u>	<u>24,200</u>
<b>NET CURRENT ASSETS</b>			
		<u>26,410,881</u>	<u>26,414,738</u>
		<u>26,414,631</u>	<u>26,414,738</u>
<b>ACCUMULATED FUND</b>			
Accumulated surplus		<u>26,414,631</u>	<u>26,414,738</u>

	Note	2019 HK\$	2018 HK\$
<b>WIDOWS AND DEPENDANTS SCHEME</b>	4		
<b>CURRENT ASSETS</b>			
Accrued bank interest		1,994	1,137
Bank deposits		580,271	571,363
Cash and cash equivalents	4(a)	<u>1,503</u>	<u>1,503</u>
		<u>583,768</u>	<u>574,003</u>
<b>ACCUMULATED FUND</b>			
Accumulated surplus		<u>583,768</u>	<u>574,003</u>
<b>FREDERICK WATSON FUND</b>	5		
<b>CURRENT ASSETS</b>			
Accrued bank interest		7,570	3,903
Cash and cash equivalents	5(a)	<u>2,692,363</u>	<u>2,662,616</u>
		<u>2,699,933</u>	<u>2,666,519</u>
<b>ACCUMULATED FUND</b>			
Capital		1,000,000	1,000,000
Accumulated surplus		<u>1,699,933</u>	<u>1,666,519</u>
		<u>2,699,933</u>	<u>2,666,519</u>



	Note	2019 HK\$	2018 HK\$
<b>CHENG YU-TUNG FUND</b>	6		
<b>CURRENT ASSETS</b>			
Accrued bank interest		9,718	5,540
Bank deposits		2,828,503	2,785,078
Cash and cash equivalents	6(a)	<u>6,073</u>	<u>6,073</u>
		<u>2,844,294</u>	<u>2,796,691</u>
<b>ACCUMULATED FUND</b>			
Capital		1,000,000	1,000,000
Accumulated surplus		<u>1,844,294</u>	<u>1,796,691</u>
		<u>2,844,294</u>	<u>2,796,691</u>
<b>SHAW RUN RUN FUND</b>	7		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7(a)	<u>1,000,000</u>	<u>548,510</u>
<b>ACCUMULATED FUND</b>			
Accumulated surplus		<u>1,000,000</u>	<u>548,510</u>
<b>DONATIONS FOR THE LATE PRINCIPAL FIREMAN LEUNG KWOK KEI'S DAUGHTER EDUCATION EXPENSES</b>	8		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8(a)	<u>693,888</u>	<u>753,178</u>
<b>ACCUMULATED FUND</b>			
Accumulated surplus		<u>693,888</u>	<u>753,178</u>

	Note	2019 HK\$	2018 HK\$
<b>DR. CHENG YU TUNG EDUCATION FUND (Formerly named as "CHOW TAI FOOK FUND")</b>	9		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9(a)	620,000	620,000
<b>CURRENT LIABILITIES</b>			
Accounts payable		<u>300,000</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>320,000</u>	<u>620,000</u>
<b>ACCUMULATED FUND</b>			
Accumulated surplus		<u>320,000</u>	<u>620,000</u>
<b>DONATIONS FOR THE LATE SENIOR STATION OFFICER CHEUNG THOMAS Y F'S SON EDUCATION EXPENSES</b>	10		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10(a)	<u>1,050,000</u>	<u>1,050,000</u>
<b>ACCUMULATED FUND</b>			
Accumulated surplus		<u>1,050,000</u>	<u>1,050,000</u>
<b>DONATIONS FOR THE LATE SENIOR FIREMAN HUI CHI KIT'S SON EDUCATION EXPENSES</b>	11		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11(a)	<u>1,046,750</u>	<u>1,046,750</u>
<b>ACCUMULATED FUND</b>			
Accumulated surplus		<u>1,046,750</u>	<u>1,046,750</u>

	Note	2019 HK\$	2018 HK\$
<b>DONATIONS FOR THE LATE PRINCIPAL FIREMAN YAU SIU MING'S SON EDUCATION EXPENSES</b>	12		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	12(a)	<u>1,727,656</u>	<u>1,772,281</u>
<b>ACCUMULATED FUND</b>			
Accumulated surplus		<u>1,727,656</u>	<u>1,772,281</u>

The accompanying notes 1 to 17 form part of these financial statements.

(LI Kin-yat)  
Director of Fire Services Incorporated  
27 September 2019

**Fire Services Department Welfare Fund**  
**Income and Expenditure Account for the year ended 31 March 2019**

	Note	2019 HK\$	2018 HK\$
<b>GENERAL ACCOUNT</b>			
<b>INCOME</b>			
Proceeds from sales of souvenirs		68,590	78,980
Cost of souvenirs sold		<u>(61,086)</u>	<u>(70,331)</u>
Gross gain on sales of souvenirs		7,504	8,649
Fees for firemen's services		757,800	654,245
Bank interest		396,254	215,926
Loan interest	2(f)	353	120
Donations		303,138	624,356
Civil Service Award		-	48,333
Other income		<u>-</u>	<u>867</u>
		<u>1,465,049</u>	<u>1,552,496</u>
<b>EXPENDITURE</b>			
Entertainment and social gathering		550,996	541,782
Other staff welfare		893,053	678,202
Payments to deceased officers' families	13	<u>21,107</u>	<u>242,640</u>
		<u>1,465,156</u>	<u>1,462,624</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		(107)	89,872
Other comprehensive income		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<u><u>(107)</u></u>	<u><u>89,872</u></u>

	<b>2019 HK\$</b>	<b>2018 HK\$</b>
<b>WIDOWS AND DEPENDANTS SCHEME</b>		
<b>INCOME</b>		
Bank interest	9,765	6,403
<b>EXPENDITURE</b>	<u>-</u>	<u>-</u>
<b>SURPLUS FOR THE YEAR</b>	9,765	6,403
Other comprehensive income	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>9,765</u></u>	<u><u>6,403</u></u>

#### **FREDERICK WATSON FUND**

##### **INCOME**

Bank interest	33,414	18,412
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##### **EXPENDITURE**

<u>-</u>	<u>-</u>
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##### **SURPLUS FOR THE YEAR**

33,414	18,412
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Other comprehensive income	<u>-</u>	<u>-</u>
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##### **TOTAL COMPREHENSIVE INCOME FOR THE YEAR**

<u><u>33,414</u></u>	<u><u>18,412</u></u>
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	<b>2019 HK\$</b>	<b>2018 HK\$</b>
<b>CHENG YU-TUNG FUND</b>		
<b>INCOME</b>		
Bank interest	47,603	29,061
<b>EXPENDITURE</b>	<u>-</u>	<u>-</u>
<b>SURPLUS FOR THE YEAR</b>	47,603	29,061
Other comprehensive income	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>47,603</u></u>	<u><u>29,061</u></u>

#### **SHAW RUN RUN FUND**

##### **INCOME**

Donations

641,490

-

##### **EXPENDITURE**

Scholarship

190,000

260,000

##### **SURPLUS/(DEFICIT) FOR THE YEAR**

451,490

(260,000)

Other comprehensive income

-

-

##### **TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**

451,490

(260,000)



	<b>2019</b> <b>HK\$</b>	<b>2018</b> <b>HK\$</b>
<b>DONATIONS FOR THE LATE PRINCIPAL FIREMAN LEUNG KWOK KEI'S DAUGHTER EDUCATION EXPENSES</b>		
<b>INCOME</b>	-	-
<b>EXPENDITURE</b>		
Education expenses	<u>59,290</u>	<u>58,500</u>
<b>DEFICIT FOR THE YEAR</b>	(59,290)	(58,500)
Other comprehensive income	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u><u>(59,290)</u></u>	<u><u>(58,500)</u></u>

**DR. CHENG YU TUNG EDUCATION FUND**  
(Formerly named as "CHOW TAI FOOK FUND")

<b>INCOME</b>	-	-
<b>EXPENDITURE</b>		
Scholarship	<u>300,000</u>	<u>120,000</u>
<b>DEFICIT FOR THE YEAR</b>	(300,000)	(120,000)
Other comprehensive income	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u><u>(300,000)</u></u>	<u><u>(120,000)</u></u>

	<b>2019</b> <b>HK\$</b>	<b>2018</b> <b>HK\$</b>
<b>DONATIONS FOR THE LATE SENIOR STATION OFFICER CHEUNG THOMAS Y F'S SON EDUCATION EXPENSES</b>		
<b>INCOME</b>	-	-
<b>EXPENDITURE</b>	<u>-</u>	<u>-</u>
<b>SURPLUS FOR THE YEAR</b>	-	-
Other comprehensive income	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>-</u></u>	<u><u>-</u></u>

<b>DONATIONS FOR THE LATE SENIOR FIREMAN HUI CHI KIT'S SON EDUCATION EXPENSES</b>		
<b>INCOME</b>	-	-
<b>EXPENDITURE</b>		
Education expenses	<u>-</u>	<u>3,250</u>
<b>DEFICIT FOR THE YEAR</b>	-	(3,250)
Other comprehensive income	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u><u>-</u></u>	<u><u>(3,250)</u></u>

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>DONATIONS FOR THE LATE PRINCIPAL FIREMAN YAU SIU MING'S SON EDUCATION EXPENSES</b>		
<b>INCOME</b>		
Donations	-	1,835,846
<b>EXPENDITURE</b>		
Education expenses	<u>44,625</u>	<u>63,565</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>	(44,625)	1,772,281
Other comprehensive income	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>	<u><u>(44,625)</u></u>	<u><u>1,772,281</u></u>

The accompanying notes 1 to 17 form part of these financial statements.

**Fire Services Department Welfare Fund**  
**Statement of Changes in Equity for the year ended 31 March 2019**

	GENERAL ACCOUNT	WIDOWS AND DEPENDANTS SCHEME	FREDERICK WATSON FUND			CHENG YU-TUNG FUND			SHAW RUN RUN FUND	DONATIONS FOR THE LATE PRINCIPAL FIREMAN LEUNG KWOK KEI'S DAUGHTER EDUCATION EXPENSES	DR. CHENG YU TUNG EDUCATION FUND (Formerly named as "CHOW TAI FOOK FUND")	DONATIONS FOR THE LATE SENIOR STATION OFFICER CHEUNG THOMAS Y F'S SON EDUCATION EXPENSES	DONATIONS FOR THE LATE SENIOR FIREMAN HUI CHI KIT'S SON EDUCATION EXPENSES	DONATIONS FOR THE LATE PRINCIPAL FIREMAN YAU SIU MING'S SON EDUCATION EXPENSES	TOTAL
	ACCUMULATED SURPLUS HK\$	ACCUMULATED SURPLUS HK\$	CAPITAL HK\$	ACCUMULATED SURPLUS HK\$	TOTAL HK\$	CAPITAL HK\$	ACCUMULATED SURPLUS HK\$	TOTAL HK\$	ACCUMULATED SURPLUS HK\$	ACCUMULATED SURPLUS HK\$	ACCUMULATED SURPLUS HK\$	ACCUMULATED SURPLUS HK\$	ACCUMULATED SURPLUS HK\$	ACCUMULATED SURPLUS HK\$	HK\$
Balance at 1.4.2017	26,324,866	567,600	1,000,000	1,648,107	2,648,107	1,000,000	1,767,630	2,767,630	808,510	811,678	740,000	1,050,000	1,050,000	-	36,768,391
Total comprehensive income/(loss) for 2017-2018	89,872	6,403	-	18,412	18,412	-	29,061	29,061	(260,000)	(58,500)	(120,000)	-	(3,250)	1,772,281	1,474,279
Balance at 31.3.2018	26,414,738	574,003	1,000,000	1,666,519	2,666,519	1,000,000	1,796,691	2,796,691	548,510	753,178	620,000	1,050,000	1,046,750	1,772,281	38,242,670
Balance at 1.4.2018	26,414,738	574,003	1,000,000	1,666,519	2,666,519	1,000,000	1,796,691	2,796,691	548,510	753,178	620,000	1,050,000	1,046,750	1,772,281	38,242,670
Total comprehensive income/(loss) for 2018-2019	(107)	9,765	-	33,414	33,414	-	47,603	47,603	451,490	(59,290)	(300,000)	-	-	(44,625)	138,250
Balance at 31.3.2019	26,414,631	583,768	1,000,000	1,699,933	2,699,933	1,000,000	1,844,294	2,844,294	1,000,000	693,888	320,000	1,050,000	1,046,750	1,727,656	38,380,920

The accompanying notes 1 to 17 form part of these financial statements.

**Fire Services Department Welfare Fund**  
**Statement of Cash Flows for the year ended 31 March 2019**

	Note	2019 HK\$	2018 HK\$
<b>GENERAL ACCOUNT</b>			
Cash flows from operating activities			
(Deficit)/Surplus for the year		(107)	89,872
Bank interest		(396,254)	(215,926)
Loan interest		(353)	(120)
(Increase)/Decrease in stock of souvenirs		(33,875)	70,331
(Increase)/Decrease in general loans		(32,500)	15,000
Decrease in amount due from Widows and Dependants Scheme		-	128,000
Increase/(Decrease) in accounts payable		48,671	(171,931)
(Decrease)/Increase in deferred revenue		(24,000)	4,000
		<u>(438,418)</u>	<u>(80,774)</u>
Cash flows from investing activities			
Bank interest received		363,503	212,454
Loan interest received		323	136
Net increase in bank deposits with maturities over three months		<u>(114,845)</u>	<u>(76,703)</u>
		<u>248,981</u>	<u>135,887</u>
Net cash from investing activities		<u>248,981</u>	<u>135,887</u>
Net (decrease)/increase in cash and cash equivalents		(189,437)	55,113
Cash and cash equivalents at beginning of year		<u>18,715,038</u>	<u>18,659,925</u>
Cash and cash equivalents at end of year	3(b)	<u><u>18,525,601</u></u>	<u><u>18,715,038</u></u>

	Note	2019 HK\$	2018 HK\$
<b>WIDOWS AND DEPENDANTS SCHEME</b>			
Cash flows from operating activities			
Surplus for the year		9,765	6,403
Bank interest		(9,765)	(6,403)
Decrease in amount due to General Account		<u>-</u>	<u>(128,000)</u>
Net cash used in operating activities		<u>-</u>	<u>(128,000)</u>
Cash flows from investing activities			
Bank interest received		8,908	6,645
Net (increase)/decrease in bank deposits with maturities over three months		<u>(8,908)</u>	<u>121,355</u>
Net cash from investing activities		<u>-</u>	<u>128,000</u>
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		<u>1,503</u>	<u>1,503</u>
Cash and cash equivalents at end of year	4(a)	<u><u>1,503</u></u>	<u><u>1,503</u></u>



	Note	2019 HK\$	2018 HK\$
<b>FREDERICK WATSON FUND</b>			
Cash flows from operating activities			
Surplus for the year		33,414	18,412
Bank interest		<u>(33,414)</u>	<u>(18,412)</u>
Net cash used in operating activities		<u>-</u>	<u>-</u>
Cash flows from investing activities			
Bank interest received		<u>29,747</u>	<u>18,934</u>
Net cash from investing activities		<u>29,747</u>	<u>18,934</u>
Net increase in cash and cash equivalents		29,747	18,934
Cash and cash equivalents at beginning of year		<u>2,662,616</u>	<u>2,643,682</u>
Cash and cash equivalents at end of year	5(a)	<u><u>2,692,363</u></u>	<u><u>2,662,616</u></u>

	Note	2019 HK\$	2018 HK\$
<b>CHENG YU-TUNG FUND</b>			
Cash flows from operating activities			
Surplus for the year		47,603	29,061
Bank interest		<u>(47,603)</u>	<u>(29,061)</u>
Net cash used in operating activities		<u>-</u>	<u>-</u>
Cash flows from investing activities			
Bank interest received		43,425	29,003
Net increase in bank deposits with maturities over three months		<u>(43,425)</u>	<u>(29,003)</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		<u>6,073</u>	<u>6,073</u>
Cash and cash equivalents at end of year	6(a)	<u><u>6,073</u></u>	<u><u>6,073</u></u>

	<b>Note</b>	<b>2019</b> <b>HK\$</b>	<b>2018</b> <b>HK\$</b>
<b>SHAW RUN RUN FUND</b>			
Cash flows from operating activities			
Surplus/(Deficit) for the year		<u>451,490</u>	<u>(260,000)</u>
Net cash from/(used in) operating activities		<u>451,490</u>	<u>(260,000)</u>
Net increase/(decrease) in cash and cash equivalents		451,490	(260,000)
Cash and cash equivalents at beginning of year		<u>548,510</u>	<u>808,510</u>
Cash and cash equivalents at end of year	7(a)	<u><u>1,000,000</u></u>	<u><u>548,510</u></u>

**DONATIONS FOR THE LATE PRINCIPAL  
FIREMAN LEUNG KWOK KEI'S  
DAUGHTER EDUCATION EXPENSES**

Cash flows from operating activities			
Deficit for the year		(59,290)	(58,500)
Decrease in accounts payable		<u>-</u>	<u>(25,200)</u>
Net cash used in operating activities		<u>(59,290)</u>	<u>(83,700)</u>
Net decrease in cash and cash equivalents		(59,290)	(83,700)
Cash and cash equivalents at beginning of year		<u>753,178</u>	<u>836,878</u>
Cash and cash equivalents at end of year	8(a)	<u><u>693,888</u></u>	<u><u>753,178</u></u>

	Note	2019 HK\$	2018 HK\$
<b>DR. CHENG YU TUNG EDUCATION FUND</b>			
<b>(Formerly named as "CHOW TAI FOOK FUND")</b>			
Cash flows from operating activities			
Deficit for the year		(300,000)	(120,000)
Increase in accounts payable		<u>300,000</u>	<u>-</u>
Net cash used in operating activities		<u>-</u>	<u>(120,000)</u>
Net decrease in cash and cash equivalents		-	(120,000)
Cash and cash equivalents at beginning of year		<u>620,000</u>	<u>740,000</u>
Cash and cash equivalents at end of year	9(a)	<u><u>620,000</u></u>	<u><u>620,000</u></u>

**DONATIONS FOR THE LATE SENIOR  
STATION OFFICER CHEUNG THOMAS Y F'S  
SON EDUCATION EXPENSES**

Cash flows from operating activities			
Surplus for the year		<u>-</u>	<u>-</u>
Net cash from operating activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		<u>1,050,000</u>	<u>1,050,000</u>
Cash and cash equivalents at end of year	10(a)	<u><u>1,050,000</u></u>	<u><u>1,050,000</u></u>

	Note	2019 HK\$	2018 HK\$
<b>DONATIONS FOR THE LATE SENIOR FIREMAN HUI CHI KIT'S SON EDUCATION EXPENSES</b>			
Cash flows from operating activities			
Deficit for the year		<u>-</u>	<u>(3,250)</u>
Net cash used in operating activities		<u>-</u>	<u>(3,250)</u>
Net decrease in cash and cash equivalents		-	(3,250)
Cash and cash equivalents at beginning of year		<u>1,046,750</u>	<u>1,050,000</u>
Cash and cash equivalents at end of year	11(a)	<u><u>1,046,750</u></u>	<u><u>1,046,750</u></u>

**DONATIONS FOR THE LATE PRINCIPAL  
FIREMAN YAU SIU MING'S SON  
EDUCATION EXPENSES**

Cash flows from operating activities			
(Deficit)/Surplus for the year		<u>(44,625)</u>	<u>1,772,281</u>
Net cash (used in)/from operating activities		<u>(44,625)</u>	<u>1,772,281</u>
Net (decrease)/increase in cash and cash equivalents		(44,625)	1,772,281
Cash and cash equivalents at beginning of year		<u>1,772,281</u>	<u>-</u>
Cash and cash equivalents at end of year	12(a)	<u><u>1,727,656</u></u>	<u><u>1,772,281</u></u>

The accompanying notes 1 to 17 form part of these financial statements.

## **Fire Services Department Welfare Fund**

### **Notes to the Financial Statements**

#### **1. General**

The Fire Services Department Welfare Fund (the Fund) was established for the purposes of providing and maintaining amenities for the use and enjoyment of, and making loans, grants, allowances and gifts to beneficiaries including Fire Services employees, former Fire Services employees, dependants of deceased Fire Services employees and dependants of deceased former Fire Services employees in accordance with section 19D of the Fire Services Ordinance (Cap. 95).

The address of the Fund's principal place of business is 11<sup>th</sup> Floor, Fire Services Headquarters Building, No. 1 Hong Chong Road, Tsim Sha Tsui East, Kowloon.

#### **2. Significant accounting policies**

##### **(a) Statement of compliance**

The financial statements have been prepared in accordance with section 10(1)(b) of the Fire Services Department (Welfare Fund) Regulation (Cap. 95 sub. leg. E) and all applicable Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Fund. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Fund for the current and prior accounting periods reflected in these financial statements.

##### **(b) Basis of preparation of the financial statements**

The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

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



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

(c) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Fund. Of these, the Fund has adopted the requirements of HKFRS 9 "Financial Instruments" and HKFRS 15 "Revenue from Contracts with customers" from 1 April 2018.

(i) **HKFRS 9 "Financial Instruments"**

HKFRS 9 replaces Hong Kong Accounting Standard (HKAS) 39 "Financial Instruments: Recognition and Measurement". It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Fund has applied HKFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements without restating comparative information (i.e. the comparative information continues to be reported under HKAS 39). The carrying amounts of the items at 1 April 2018 have not been impacted by the initial application of HKFRS 9.

Further details of the nature and effect of the changes to previous accounting policies are set out below:

a. Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets at fair value through profit or loss. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The Fund's financial assets, comprising cash and cash equivalents, bank deposits, loans receivable and accrued interest, were previously classified as loans and receivables carried at amortised cost under HKAS 39. They were reclassified to financial assets measured at amortised cost under HKFRS 9. The carrying amounts at 1 April 2018 were the same as those at 31 March 2018.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 April 2018 have not been impacted by the initial application of HKFRS 9.

b. Credit losses and impairment

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit loss” model. The expected credit loss model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises expected credit losses earlier than under the “incurred loss” accounting model in HKAS 39. The Fund applies the new expected credit loss model to the financial assets measured at amortised cost. The initial application of the new impairment requirements had no impact on the carrying amounts of the financial assets at 1 April 2018.

(ii) **HKFRS 15 “Revenue from Contracts with Customers”**

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers, replacing HKAS 18 “Revenue” and HKAS 11 “Construction Contracts”. HKFRS 15 also introduces additional disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In accordance with the transition requirements, the Fund has elected to apply HKFRS 15 retrospectively only to contracts that were not completed before 1 April 2018 without restating comparative information. The initial application of HKFRS 15 has not impacted the carrying amounts of any items as at 1 April 2018.

The accounting policies for revenue adopted under HKFRS 15 (note 2(g)) have not affected the amounts of any items in the year ended 31 March 2019 compared to the previous accounting policies.

(d) Financial assets and financial liabilities

(i) Initial recognition

Financial assets and financial liabilities are recognised on the date the Fund becomes party to the contractual provisions of the financial instruments. They are initially stated at fair value plus or minus transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities.

(ii) Categorisation and subsequent measurement from 1 April 2018

*Financial assets measured at amortised cost*

These comprise loans receivable, accrued interest, bank deposits and cash and cash equivalents. They are held for the collection of contractual cash flows which represent solely payments of principal and interest. They are subsequently measured at amortised cost, net of loss allowance, if any (see note 2(d)(v)).

*Financial liabilities measured at amortised cost*

These comprise accounts payable. They are subsequently measured at amortised cost.

(iii) Categorisation and subsequent measurement before 1 April 2018

The Fund's financial assets and financial liabilities included loans receivable, accrued interest, bank deposits, cash and cash equivalents and accounts payable. Subsequent to initial recognition, financial assets were measured at amortised cost, net of allowance for impairment loss, if any (see note 2(d)(vi)). Financial liabilities were subsequently measured at amortised cost.

(iv) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership have been transferred. A financial liability is derecognised when the obligation specified in the contract is discharged, is cancelled or expires.

(v) Impairment of financial assets from 1 April 2018

For cash and cash equivalents, accrued interest, bank deposits and loans receivable, the Fund measures the expected credit losses to determine the loss allowance required to be recognised.

Expected credit losses are a probability-weighted estimate of credit losses. They are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Fund expects to receive, discounted at the effective interest rates. They are measured on either of the following bases:

- 12-month expected credit losses for (financial instruments for which there has not been a significant increase in credit risk since initial recognition): these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime expected credit losses for (financial instruments for which there has been a significant increase in credit risk since initial recognition): these are losses that are expected to result from all possible default events over the expected life of the financial instrument.

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Fund compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this assessment, the Fund considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Fund in full; or (ii) the financial asset is 90 days past due. The Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue

cost of effort. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(vi) Impairment of financial assets before 1 April 2018

The carrying amounts of financial assets were reviewed at each reporting date to determine whether there was objective evidence of impairment. If there was objective evidence that an impairment loss had occurred, an impairment loss was recognised in the income and expenditure account as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. If in a subsequent period, the amount of such impairment loss decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through the income and expenditure account. A reversal of impairment losses was limited to the asset's carrying amount that would have been determined had no impairment losses been recognised in prior years.

(e) Valuation of souvenir stock

The cost of souvenir stock is calculated on a first-in-first-out basis. Souvenir stock is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

(f) Loan interest

(i) At the discretion of the Director of Fire Services Incorporated, loans on General Account were subject to the payment of interest at the rate of 1.132% per annum from 1 April 2018 to 31 March 2019 (2018: 1.282% per annum from 1 April 2017 to 30 September 2017 and 1.132% per annum from 1 October 2017 to 31 March 2018), calculated monthly on the balance outstanding at the end of each month until the loan was repaid in full. The interest was payable within one month after the date on which the previous instalment became payable.

(ii) Loans on Bulk Purchase Scheme are interest-free.

(g) Revenue recognition

(i) From 1 April 2018, after the adoption of HKFRS 15 "Revenue from Contracts with Customers" (note 2(c)), the Fund recognises fees for firemen's services and revenue from sales of souvenirs when it satisfies a performance obligation by transferring promised goods or services to a customer, at the amount of consideration to which the Fund expects to be entitled in exchange for the goods or services. Prior to 1 April 2018, such revenue was recognised as services were provided or goods were sold.

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

(iii) Interest income from bank deposits is recognised as it accrues using the

effective interest method.

- (iv) Interest income from loans is recognised in accordance with the terms set out in the individual loan agreements.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and bank deposits with original maturities of three months or less from date of placement.

(i) Deferred revenue

If a customer pays consideration, or the Fund has an unconditional right to consideration, before the Fund transfers a service to the customer, the Fund recognises its contract liability as deferred revenue. The Fund derecognises the deferred revenue and recognises revenue when the Fund transfers the service and, therefore, satisfies its performance obligation.

<b>3. General Account</b>	<b>2019 HK\$</b>	<b>2018 HK\$</b>
(a) General loans		
Balance at beginning of year	51,250	66,250
Add: Loans made during the year	75,000	-
	<u>126,250</u>	<u>66,250</u>
Less: Loans repaid during the year	42,500	15,000
Balance at end of year	<u>83,750</u>	<u>51,250</u>
Loans repayable:		
- after 1 year (non-current assets)	3,750	-
- within 1 year (current assets)	80,000	51,250
	<u>83,750</u>	<u>51,250</u>
(b) Cash and cash equivalents		
Bank deposits with original maturities within three months	17,476,165	17,227,506
Cash with the Director of Accounting Services	1,049,436	1,487,532
	<u>18,525,601</u>	<u>18,715,038</u>

#### 4. Widows and Dependants Scheme

The Scheme was created in October 1979 to make regular grants in the form of supplementary pension to the widows and dependants of Fire Services employees killed/disabled as a result of active duty at emergency incidents.

	<b>2019</b> <b>HK\$</b>	<b>2018</b> <b>HK\$</b>
(a) Cash and cash equivalents		
Cash with the Director of Accounting Services	<u>1,503</u>	<u>1,503</u>

#### 5. Frederick Watson Fund

The Frederick Watson Fund was created in August 1983 in recognition of the services of the former Director, Mr. F. M. Watson. The interest yielded from the fund is used for the welfare of Fire Services employees, former Fire Services employees who have retired on pension, or dependants of deceased Fire Services employees or former Fire Services employees as the Director of Fire Services Incorporated sees fit.

	<b>2019</b> <b>HK\$</b>	<b>2018</b> <b>HK\$</b>
(a) Cash and cash equivalents		
Bank deposits with original maturities within three months	2,669,798	2,640,051
Cash with the Director of Accounting Services	<u>22,565</u>	<u>22,565</u>
	<u>2,692,363</u>	<u>2,662,616</u>

#### 6. Cheng Yu-tung Fund

The Cheng Yu-tung Fund was created in December 1985. The interest yielded from the fund is used as the Director of Fire Services Incorporated sees fit in accordance with section 19D of the Fire Services Ordinance.

	<b>2019</b> <b>HK\$</b>	<b>2018</b> <b>HK\$</b>
(a) Cash and cash equivalents		
Cash with the Director of Accounting Services	<u>6,073</u>	<u>6,073</u>

7. **Shaw Run Run Fund**

In appreciation of the dedication and commitment of the uniformed, civilian and contract members of the Fire Services Department in their provision of firefighting, rescue and ambulance services to Hong Kong, Mr. Shaw Run Run donated an amount of HK\$1,000,000 to the Welfare Fund on 10 October 2008 as a scholarship fund for the dependants of the members of the Fire Services Department who have achieved outstanding academic results. Similarly, personal excellence through school records and involvement in extra-curricular activities or community services would also be taken into account. In addition, an amount of HK\$460,000, HK\$230,000 and HK\$641,490 was donated on 17 June 2015, 20 May 2016 and 4 December 2018 to the Welfare Fund respectively.

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
(a) Cash and cash equivalents		
Cash with the Director of Accounting Services	<u>1,000,000</u>	<u>548,510</u>

8. **Donations for the late Principal Fireman LEUNG Kwok-kei's daughter education expenses**

The late Principal Fireman LEUNG Kwok-kei sacrificed his life on 4 December 2014 after attending a gas explosion in Shek Kip Mei. Donations totalling HK\$920,500 for education expenses of the surviving daughter were received after his death.

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
(a) Cash and cash equivalents		
Cash with the Director of Accounting Services	<u>693,888</u>	<u>753,178</u>

9. **Dr. Cheng Yu-tung Education Fund (Formerly named as "Chow Tai Fook Fund")**

Chow Tai Fook Charity Foundation Limited donated an amount of HK\$1,000,000 to the Welfare Fund on 10 February 2015 for establishing a fund to support members of the Fire Services Department in pursuit of higher education.

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
(a) Cash and cash equivalents		
Cash with the Director of Accounting Services	<u>620,000</u>	<u>620,000</u>

10. **Donations for the late Senior Station Officer Cheung Thomas Y F's son education expenses**

The late Senior Station Officer Thomas Cheung sacrificed his life on 21 June 2016 during the operation of fighting a fire in an industrial centre in Ngau Tau Kok. Donations totalling HK\$1,050,000 for education expenses of the surviving son were received.

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
(a) Cash and cash equivalents		
Cash with the Director of Accounting Services	<u>1,050,000</u>	<u>1,050,000</u>

11. **Donations for the late Senior Fireman HUI Chi-kit's son education expenses**

The late Senior Fireman HUI Chi-kit sacrificed his life on 23 June 2016 during the operation of fighting a fire in an industrial centre in Ngau Tau Kok. Donations totalling HK\$1,050,000 for education expenses of the surviving son were received.

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
(a) Cash and cash equivalents		
Cash with the Director of Accounting Services	<u>1,046,750</u>	<u>1,046,750</u>

12. **Donations for the late Principal Fireman YAU Siu-ming's son education expenses**

The late Principal Fireman YAU Siu-ming sacrificed his life on 22 March 2017 during the mountain rescue operation at Tiu Shau Ngam. Donations totalling HK\$1,835,846 for education expenses of the surviving son were received.

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
(a) Cash and cash equivalents		
Cash with the Director of Accounting Services	<u>1,727,656</u>	<u>1,772,281</u>

13. **Payments to deceased officers' families**

Donations totalling HK\$21,107 received from departmental collections via the Welfare Fund were paid to the families of four late members (HK\$3,500 for the late Fireman YU Kam-yuen, HK\$2,704 for the late Principal Fireman CHAN Wai-Chuen, HK\$12,403 for the late Fireman YIK Kin-man and HK\$2,500 for the late Senior Fireman LAM Kwok-keung).



## 14. Financial risk management

The Fund's major financial instruments include loans receivable, bank deposits and cash and cash equivalents. The risks associated with these financial instruments are set out below.

### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund's maximum exposure to credit risk as at the reporting date in relation to each class of financial assets is the carrying amount of those assets as stated in the balance sheet. The Fund limits its exposure to credit risk by transacting with reputable licensed banks in Hong Kong and places its surplus funds in short-term bank deposits. The credit risk in respect of cash with the Director of Accounting Services is considered minimal. For loans receivable, they were made to the Fire Services employees and the dependants of deceased Fire Services employees. The Fund considers the risk of default occurring on the loans is minimal.

The credit quality of bank deposits, analysed by the ratings designated by Moody's, at the reporting date is shown below:

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
Bank deposits, with credit rating A1 to A3		
-General Account	<u>7,480,433</u>	<u>7,365,588</u>
-Widows and Dependants Scheme	<u>580,271</u>	<u>571,363</u>
- Cheng Yu-tung Fund	<u>2,828,503</u>	<u>2,785,078</u>

The credit risk on these financial assets is assessed as not having increased significantly since initial recognition and the Fund determines the loss allowance required to be recognised based on 12-month expected credit losses. The Fund has estimated that 12-month expected credit losses on these financial assets are immaterial and considers that no loss allowance is required.

### (b) Interest rate risk

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

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

Cash flow interest rate risk is the risk that future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Fund is not exposed to cash flow interest rate risk as it has no financial instruments bearing interest at floating rates.

(c) **Liquidity risk**

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

As at the reporting date, the remaining contractual maturities of all financial liabilities, based on contractual undiscounted cash flows and the earliest date on which the Fund can be required to pay, were three months or less (2018: three months or less).

15. **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 Fire Services Department (Welfare Fund) Regulation; and
- (b) to maintain a capital base for carrying out the purposes of the Fund as stated in note 1 above.

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

16. **Fair values of financial assets and liabilities**

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts at the reporting date.

17. **Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2019**

Up to the date of issue of the financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2019 and which have not been early adopted in the financial statements. The Fund is in the process of making an assessment of the impact expected of these amendments, new standards and interpretations in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have significant impact on the Fund's financial performance and financial position.