

**SIR DAVID TRENCH
FUND FOR
RECREATION
TRUSTEE'S REPORT
2009-2010**

**ACCOUNTS, TRUSTEE'S REPORT, AND REPORT OF
THE SECRETARY FOR HOME AFFAIRS
FOR
2009 – 2010**

When dollars are quoted in this report, they are,
unless otherwise stated, Hong Kong dollars.

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MEMBERS OF COMMITTEES 2009-2010

SIR DAVID TRENCH FUND COMMITTEE 2009-2010

Chairman : Mr Wilfred NG Sau-kei, MH, JP

Members : Mr Edmond CHUNG Kong-mo, JP
Mr John FAN Kam-ping, BBS, JP
Mr GENG Chun-ya
Miss Lisa LAU Man-man, MH, JP
Mr William TONG Wai-lun, MH
Miss Agnes TSANG Kwan-yuk
Ms Monin UNG
Mr Sam WONG Tak-sum
Representative of Hong Kong Council of Social Service
Representative of Home Affairs Bureau
Representative of Home Affairs Department
Representative of Leisure and Cultural Services Department
Representative of Social Welfare Department

Secretary : Mr Andy LIU
Home Affairs Bureau

INVESTMENT ADVISORY COMMITTEE 2009-2010

Chairman : Mr TSANG-chung, Jacob

Members : Ms CHAN Hiu-yin, Yvonne (up to 30.6.2009)
Mr LEE Tze-hau, Michael (up to 30.6.2009)
Mr Lawrence CHEUNG Wai-kou, JP (w.e.f. 1.7.2009)
Mr Irons SZE (w.e.f. 1.7.2009)
Mr TSANG Kwong-wing, Ernest

Secretary : Mr CHAN Kwok-hoi (up to 25.8.2009)
Mr Andrew CHAN (w.e.f. 26.8.2009)
Treasury

**HONG KONG SPORTS INSTITUTE LIMITED
BOARD OF DIRECTORS 2009-2010**

Chairman : Dr Eric LI Ka-cheung, GBS, JP

Vice-Chairman : Dr Tommy TAM Hok-lam, JP
Mr TANG Kwai-nang, BBS, JP

Directors : Dr Julian CHANG Wai, MH
Dr Kenneth CHU Ting-kin
Professor Frank FU Hoo-kin, MH, JP
Mr Karl KWOK Chi-leung
Dr James LAM
Dr HON LAM Tai-fai, BBS, JP
Ms Vivien LAU Chiang-chu, JP
Mr Matthias LI Sing-chung
Mr Martin LIAO Cheung-kong, JP
Ms Winnie NG
Mr Carlson TONG Ka-shing, JP
Mr Johnny WOO Wai-man, BBS
Mr Thomas J WU
Ms Lisa YIP Sau-wah, JP
Mr Jonathan MCKINLEY
Mr Vincent LIU Ming-kwong, JP (up to 21.7.2009)
Mr Bobby CHENG Kam-wing (w.e.f. 22.7.2009)

Alternate Directors : Ms Janet WONG Chin-kiu
(as alternate director to Mr Jonathan MCKINLEY up to 8.9.2009)
Mr Benjamin MOK Kwan-yu
(as alternate director to Mr Jonathan MCKINLEY w.e.f. 9.9.2009)
Ms Olivia CHAN Yeuk-oi
(as alternate director to Mr Vincent LIU Ming-kwong, JP up to 21.7.2009; as alternate director to Mr Bobby CHENG Kam-wing w.e.f. 22.7.2009)

Secretary : Ms Doris KWOK
(*Non-Director*)

**HONG KONG SPORTS INSTITUTE LIMITED
ELITE TRAINING AND ATHLETES AFFAIRS COMMITTEE 2009-2010**

Chairman : Mr TANG Kwai-nang, BBS, JP

Members : Dr Julian CHANG Wai, MH
Mr Karl KWOK Chi-leung
Dr James LAM
Dr HON LAM Tai-fai, BBS, JP
Ms Vivien LAU Chiang-chu, JP
Dr Tommy TAM Hok-lam, JP
Mr Johnny WOO Wai-man, BBS
Mr Thomas J WU
Ms Janet WONG Chin-kiu (up to 8.9.2009)
Mr Benjamin MOK Kwan-yu (w.e.f. 9.9.2009)
Ms Olivia CHAN Yeuk-oi

HONG KONG ARTS DEVELOPMENT COUNCIL 2009-2010

Chairman : Mr MA Fung-kwok, SBS, JP

Vice-Chairman : Mr Maurice LEE Wai-man, JP

Members : Mr William AU Weng-hei, BBS, JP
Professor Stephen CHAN Ching-kiu
Dr CHENG Kam-chung, MH, JP
Dr Jonathan CHOI Koon-shum, BBS, JP
Mr Christopher CHUNG Shu-kun, BBS, MH, JP
Ms Barbara FEI, BBS
Mr HO Ho-chuen
Mr HON Man-po
Mr KAN Tai-keung, BBS
Mr KO Tin-lung
Mr LEE Kam-yin, MH
Professor Eva MAN Kit-wah
Mr Fredric MAO Chun-fai, BBS
Ms Emily MOK Fung-yee, JP
Mr NG Kang-fai
Mr David PONG Chun-yee (up to 31.12.2009)
Mr PUN Siu-fai
Mr TO Kei-fung
Dr WONG So-lan
Ms Lina YAN Hau-yee, MH, JP
Ms YAO Jue
Mr YUEN Siu-fai
Secretary for Home Affairs or his representative
Permanent Secretary for Education or his representative
Director of Leisure and Cultural Services or his representative

Secretary : Mr Louis YU
(Chief Executive, Hong Kong Arts Development Council)

TRUSTEE'S REPORT

MAIN FUND

In January 1970, a sum of \$3 million was donated for the promotion of recreational and related activities to commemorate the governorship of Sir David TRENCH and also as a token of appreciation of the work of the Civil Service and of the many public spirited citizens who served on advisory boards and committees. An ordinance to establish a fund for the purposes the donor had in mind was passed by the Legislative Council on 11 February 1970 (Chapter 1128 of the Laws of Hong Kong – Sir David Trench Fund for Recreation Ordinance). Section 6 of the Ordinance sets out special provisions relating to the manner in which the Fund may be applied. This section states that the original capital sum of \$3 million must not be used for the objects specified in section 5 without the prior approval of the Legislative Council. It follows that without this special approval, the Fund would not have been able to begin operation until income began to flow from the capital sum. To overcome this problem, the donor of the original capital sum of \$3 million very generously provided an additional \$0.2 million. In 1979, the then Governor directed that a grant of \$15 million should be made from the Lotteries Fund to the Sir David Trench Fund for Recreation to replenish the Fund's capital so as to ensure that sufficient income was generated to meet calls on the Fund. In April 1991, a sum of \$5 million was donated to the Fund by the Hong Kong Jockey Club (Charities) Ltd. This donation was regarded as an addition to the capital of the Fund and only the income generated from this donation could be used for payment of grants. Total capital injections to the Fund since its establishment now stand at \$23.2 million. For the purposes of this report and the annual accounts, the moneys of this Fund are referred to as the Main Fund so as to distinguish these moneys from those of the other Funds established under the aegis of the Sir David Trench Fund for Recreation as mentioned in paragraphs 2 to 6 below.

SPORTS AID FOR THE DISABLED FUND

2. In August 1985, the Finance Committee of the Legislative Council approved a donation of \$1.5 million to be made to the Sir David Trench Fund for Recreation to set up a fund for the promotion of sport for the disabled. The capital sum of this donation should be kept intact and the investment income accruing thereon should be used specifically for the purpose of promoting sport for the disabled. This Fund was named the Sports Aid for the Disabled Fund. In July 1992, a sum of \$5 million was donated towards the capital of the Fund by the Hong Kong Jockey Club (Charities) Ltd., bringing the total capital to \$6.5 million.

SPORTS AID FOUNDATION FUND

3. On 9 February 1987, approval was given under section 6 of the Ordinance to set up an independent fund called the Sports Aid Foundation Fund, to be administered under the aegis of the Sir David Trench Fund for Recreation, for the purpose of assisting financially needy sportsmen in their pursuit of excellence. Under this approval, the capital of this Fund has been used to generate recurrent income which is being applied specifically for the purpose of this Fund. In May and December 1987, two sums of \$5 million each were donated to the Fund by the Hong Kong Jockey Club (Charities) Ltd. making a total capital of \$10 million for the year 1987-88. During the year 1988-89, two additional sums were received bringing the capital of the Fund to \$15.577 million, one being the transfer to the Fund of the balance of \$0.577 million in the then Governor's Special Fund in October 1988, and the other being a donation of \$5 million from the Hong Kong Jockey Club (Charities) Ltd. received in March 1989. Since 1989-90, two further sums totalling \$25 million were donated by the Hong Kong Jockey Club (Charities) Ltd. to the Fund, one for \$5 million received in July 1990 and the other for \$20 million received in July 1992, which brought the capital of the Fund to \$40.577 million.

ARTS DEVELOPMENT FUND

4. On 14 May 1993, the Finance Committee of the Legislative Council approved a grant of \$30 million to the Sir David Trench Fund for Recreation to enhance the development of arts in Hong Kong. For this purpose, approval was given under section 6 of the Ordinance to set up an independent fund, to be known as the Arts Development Fund, under the aegis of the Sir David Trench Fund for Recreation in May 1993. In January 2007, the Finance Committee of the Legislative Council approved a further sum of \$20 million to be injected into the Fund which brought the total injections to \$50 million. Both the capital of the Fund and any income generated from investment of the Fund may be expended specifically for the purpose of the Fund.

HONG KONG ATHLETES FUND

5. In August 1996, the Government announced the setting up of the Hong Kong Athletes Fund to help individual athletes to pursue excellence in their chosen sports and to provide them with the opportunity to develop alternative careers upon their retirement from competitive sport. On 23 January 1997, approval was given under section 5 of the Ordinance to incorporate the Fund into the Sir David Trench Fund for Recreation. For this purpose, the Government injected \$8 million, which together with donations totalling \$5.171 million from the community raised the capital of the Fund to \$13.171 million. Additional donations totalling \$0.077 million were received in 1997-98 and brought the capital of the Fund to \$13.248 million. As directed by the Government, the capital sum of this Fund must be kept intact and only the investment income accruing thereon may be used for the purpose of the Fund. In March 2009, the Government injected a sum of \$5 million into the Fund which brought the total capital to \$18.248 million. The sum of \$5 million injected may be expended specifically for the special scheme for young athletes. Hence the capital sum of this Fund which must be kept intact remains at \$13.248 million.

ARTS AND SPORT DEVELOPMENT FUND

6. On 31 January 1997, the Finance Committee of the Legislative Council approved a grant of \$300 million for the establishment of the Arts and Sport Development Fund. The purpose of this Fund is to provide funding mainly to the Hong Kong Arts Development Council and the Hong Kong Sports Development Board for the implementation of their respective five-year strategic plans for the development of arts and sport in Hong Kong. This Fund was subsequently set up in accordance with section 5 of the Ordinance on 8 March 1997 under the aegis of the Sir David Trench Fund for Recreation. In January 2007, the Finance Committee of the Legislative Council approved a further sum of \$80 million to be injected into the Fund. In February 2009, the Finance Committee of the Legislative Council approved another sum of \$150 million to be injected into the Fund which brought the total injections to \$530 million. As directed by the Government, both the capital of the Fund and any income generated therefrom may be expended specifically for the purpose of the Fund.

OBJECTS OF THE SIR DAVID TRENCH FUND FOR RECREATION

7. Section 5 of the Ordinance requires the trustee to apply the Fund in such manner as the Chief Executive may direct for the following objects :

- (a) the provision of, or assistance in the provision of, facilities for recreational, sporting, cultural and social activities; and
- (b) such objects ancillary or incidental to the objects set out in paragraph (a) as the Chief Executive may consider appropriate.

COMMITTEES

8. In April 1970, the then Governor appointed the Sir David Trench Fund for Recreation Advisory Committee to assist him in determining the purposes for which the Fund should be applied. Subsequently in October 1976, this Advisory Committee was disbanded and the Council for Recreation and Sport took over the responsibilities of recommending how the income of the Fund should be utilized. In January 1983, a further committee, the Sir David Trench Fund Committee, was established which was directly responsible to the Council for Recreation and Sport for administering the Main Fund.

9. Following the establishment of the Sports Aid for the Disabled Fund in August 1985, the Sports Aid for the Disabled Committee was established in January 1986, which was directly responsible to the Council for Recreation and Sport for administering the Sports Aid for the Disabled Fund. Subsequently in November 1987, this committee was disbanded following the establishment of a Sports Aid Committee, which was directly responsible to the Council for Recreation and Sport for administering the two sports aid funds, namely, the Sports Aid for the Disabled Fund and the Sports Aid Foundation Fund.

10. The term of office of the Council for Recreation and Sport, with its committees including the Sir David Trench Fund Committee and the Sports Aid Committee, ended on 31 October 1989.

11. Since November 1989, the then Secretary for Broadcasting, Culture and Sport (the Secretary for Home Affairs with effect from 9 April 1998) has directly approved the allocation of funds by way of grants from the Main Fund. In January 1990, a new committee, the Sir David Trench Fund Committee, was established to advise him on the allocation of these funds. The membership of the Sir David Trench Fund Committee is detailed on page 2.

12. With regard to the Sports Aid for the Disabled Fund and the Sports Aid Foundation Fund, a Provisional Sports Development Board was established in November 1989 and was delegated the authority to approve and disburse funds from these two Funds. On 1 April 1990, the Hong Kong Sports Development Board was formally established and subsequently in April 1990 a Sports Aid Foundation Fund and Sports Aid for the Disabled Fund Committee was established under the Board to advise on the disbursement of grants from these two Funds. The Committee was renamed the Sports Aid Committee with effect from 6 January 1997, and its ambit has been extended since March 1997 to include the provision of advice to the Hong Kong Athletes Fund on the disbursement of grants. On 1 April 1998, the Committee was restructured and renamed the Sports Aid Sub-Committee. On 6 May 2003, the Sports Aid Sub-Committee was further renamed as the Athletes Support Sub-Committee. With the dissolution of the Hong Kong Sports Development Board on 1 October 2004, the Hong Kong Sports Institute Limited was established on the same day. The Elite Training and Athletes Affairs Committee was established under the Institute to approve and disburse grants from the three Funds with effect from 1 October 2004. The current memberships of the Hong Kong Sports Institute Limited and the Elite Training and Athletes Affairs Committee are detailed on page 3.

13. Disbursements from the Arts Development Fund are approved by the then Secretary for Broadcasting, Culture and Sport (and by the Secretary for Home Affairs with effect from 9 April 1998) on the advice of the Hong Kong Arts Development Council. The Hong Kong Arts Development Council was set up on 15 April 1994 initially as a non-statutory body. It became a statutory body on 1 June 1995 and its current membership is detailed on page 4.

14. Under subsection 1 of section 7 of the Ordinance, the trustee may invest any moneys of the fund in such investments as the Chief Executive may direct, subject, in the case of investments which are not trust investments, to the prior approval of the Investment Advisory Committee. The membership of this Committee is detailed on page 2.

FINANCIAL STATEMENTS

15. The Balance Sheet as at 31 March 2010, the Income and Expenditure Account for the year ended 31 March 2010, the Statement of Changes in Equity for the year ended 31 March 2010 and the Statement of Cash Flows for the year ended 31 March 2010 are at pages 13 to 18.

16. Under the Main Fund, income exceeded expenditure by \$21.401 million. Income from dividends and interest was \$3.685 million and net revaluation gains on investments in securities were \$34.770 million. Expenditure on grants was \$16.811 million. The accumulated surplus was \$127.872 million at 31 March 2010.

17. Under the Sports Aid for the Disabled Fund, income exceeded expenditure by \$0.121 million. Interest income was \$0.069 million and net revaluation gains on investments in securities were \$0.056 million. There was no grant payment during the year. The accumulated surplus was \$0.925 million at 31 March 2010.

18. Under the Sports Aid Foundation Fund, income exceeded expenditure by \$7.533 million. Income from dividends and interest was \$1.639 million and net revaluation gains on investments in securities were \$6.097 million. There was no grant payment during the year. The accumulated surplus was \$18.092 million at 31 March 2010.

19. Under the Arts Development Fund, expenditure exceeded income by \$1.080 million. Interest income was \$0.164 million and net revaluation gains on investments in securities were \$0.128 million. Expenditure on grants was \$1.380 million. The accumulated deficit was \$31.479 million at 31 March 2010.

20. Under the Hong Kong Athletes Fund, income exceeded expenditure by \$2.743 million. Income from dividends and interest was \$0.563 million and net revaluation gains on investments in securities were \$3.380 million. Expenditure on grants was \$1.181 million. The accumulated surplus was \$7.354 million at 31 March 2010.

21. Under the Arts and Sport Development Fund, expenditure exceeded income by \$55.902 million. Interest income amounted to \$1.411 million and net revaluation gains on investments in securities were \$0.985 million. Expenditure on grants was \$63.689 million. The accumulated deficit was \$368.732 million at 31 March 2010.

GRANTS

22. Details of the expenditure on grants in 2009-2010 are shown in the Statement of Approved Grants in Schedule 1 on pages 37 to 45. A summary of approved grants over the years and outstanding commitments as at 31 March 2010 is shown in Schedule 2 on page 46.

INVESTMENTS

23. Investments as at 31 March 2010 are shown in Schedule 3 on pages 47 to 48.

CHARTS

24. Charts relating to approved grants are on pages 49 to 56.

LI Kwok-tso

Director of Accounting Services

The Trustee of the Sir David Trench Fund for Recreation

5 July 2010

**REPORT OF THE SECRETARY FOR HOME AFFAIRS
ON THE SIR DAVID TRENCH FUND FOR RECREATION 2009-2010**

SIR DAVID TRENCH FUND FOR RECREATION

The Sir David Trench Fund for Recreation (the Fund) is used, as the Chief Executive may direct, for provision of, or assistance in the provision of facilities for recreational, sporting, cultural and social activities. Grants from the Fund support projects aimed at the development of the individual and his or her identity and involvement in the life of the community of Hong Kong. In keeping with the donor's wishes, emphasis is placed on encouraging the purposeful use of leisure by young people.

2. The tasks of vetting applications for grants and making recommendations on all matters of a financial, procedural or policy related nature in respect of the Fund are undertaken by the Sir David Trench Fund (SDTF) Committee. The membership of the Committee is shown on page 2.

3. Applicants may apply for the grants under the categories of the Capital Works Projects which aim at building new recreational facilities, the Non-Capital Works Projects which cover the purchase of equipment, and the Special Projects which support projects with a special theme determined by the SDTF Committee periodically. Eligible projects should -

- (a) involve direct organisation of physical education, sporting and cultural activities which encourage the purposeful use of leisure by young people;
- (b) be of long-term benefit and reach out to the widest possible cross-section of the community;
- (c) only utilise the grant to cover one-off expenditure and not recurrent commitments. The grants are expected to be spent within the specified period towards the project and must be self-financing thereafter; and
- (d) be assessed on the basis of the best use of the Fund. The SDTF Committee will consider both the scope and the amount of grant requested in each application and decide whether the project will be supported in full or in part.

4. Priority will be given to new applicants, in particular, those who have no access to other funding sources.

5. Capital Works Projects should be specifically of the "brick and mortar" type and for the construction of new recreational facilities. In 2009-2010, a total of \$1,270,555 from the Fund helped to pay for the five capital works projects listed on page 41.

6. Non-Capital Works Projects should achieve long-term benefits and encourage the purposeful use of leisure by young people. The Fund should be used for the purchase of durable equipment for collective use in recreational, sporting and cultural activities directly. In 2009-2010, a total of \$1,894,676 was awarded to various organisations and agencies which are listed on pages 39 to 40.

7. Special Projects should purposely provide facilities and/or equipment in the furtherance of a special theme determined by the SDTF Committee. For the years 2009-2010 to 2011-2012, the special theme has been determined as "Construction of New Sports Facilities, Improvement of Existing Sports Facilities and Purchase of Sports Equipment for enhancement of training in elite sport and developing sport at the community level". In 2009-2010, a total of \$19,559,555 was awarded to 12 projects which were in compliance with the said special theme.

SPORTS AID FOUNDATION FUND

8. The Sports Aid Foundation Fund (SAFF) was set up on the advice of the then Council for Recreation and Sport in February 1987 with the aim of assisting financially needy athletes in their pursuit of excellence. The SAFF is intended to provide financial assistance in two areas, namely -

- (a) training expenses: equipment, special diets, coaching fees, travelling expenses, etc.; and
- (b) allowance to alleviate financial difficulties arising from loss of earnings as a result of participation in training and competitions.

9. The Elite Training and Athletes Affairs Committee of the Hong Kong Sports Institute Limited is responsible for advising on the disbursement of grants from the SAFF. Membership of the Committee is shown on page 3.

10. The current capital of the SAFF is \$40,577,000, of which \$40,000,000 was donated by the then Royal Hong Kong Jockey Club and the balance was from a Government grant. Only income generated from the capital of the SAFF may be disbursed.

11. In 2007-2008, the Hong Kong Sports Institute Limited implemented a new financial support scheme known as the Elite Training Grant. Since then, no applications for grants from the SAFF have been received. We are considering the possibility of dissolving the SAFF to plough back the resources into the Fund.

SPORTS AID FOR THE DISABLED FUND

12. The Sports Aid for the Disabled Fund (SADF) was set up with a Government donation of \$1,500,000 in August 1985 to promote sport for disabled people. The then Royal Hong Kong Jockey Club donated \$5,000,000 to the SADF in July 1992, increasing the capital of the SADF to \$6,500,000.

13. The Elite Training and Athletes Affairs Committee of the Hong Kong Sports Institute Limited is responsible for advising on the disbursement of grants from the SADF. Membership of the Committee is shown on page 3.

14. In 2007-2008, the Hong Kong Sports Institute Limited implemented a new financial support scheme known as the Sports Aid for The Disabled Grant. Since then, no applications for grants from the SADF have been received. We are considering the possibility of dissolving the SADF to plough back the resources into the Fund.

ARTS AND SPORT DEVELOPMENT FUND

15. In January 1997, the Finance Committee of the Legislative Council approved the setting up of the Arts and Sport Development Fund (ASDF) as a sub-fund under the Sir David Trench Fund for Recreation to provide funding for the key initiatives of the Hong Kong Arts Development Council and the then Hong Kong Sports Development Board in their respective five-year strategic plans, and other projects that, in the Secretary for Home Affairs's opinion, will make significant contribution to the further development of the arts and sport in the community. A sum of \$300,000,000 was approved as a one-off injection into the ASDF. The amounts allocated for the arts and sport were \$160,000,000 and \$140,000,000 respectively. Any investment income generated is ploughed back into the ASDF. On 26 January 2007, the Finance Committee of the Legislative Council approved an injection of \$80,000,000 into the ASDF, \$40,000,000 for the arts and another \$40,000,000 for sport. The Finance Committee approved a further injection of \$150,000,000 on 20 February 2009, \$60,000,000 for the arts and \$90,000,000 for sport.

16. For the arts portion of the ASDF, the purpose is to provide financial support for the Hong Kong Arts Development Council to promote the development of the arts. The sports portion is mainly used to support Hong Kong athletes' preparation for and participation in major sports games and the hosting of major international sports events in Hong Kong. It may also be used to support other one-off activities which are of significant importance to the development and promotion of sport in Hong Kong.

17. In 2009-2010, a total of \$74,125,730 was allocated from the ASDF, of which \$27,149,700 was allocated to 13 arts projects and \$46,976,030 was allocated to 27 sports development projects.

18. To further promote the development of arts and sport, the Government proposes in the Budget of 2010-2011 to inject \$3 billion into the ASDF as seed money and use its annual investment return to provide sustainable additional resources for subsidising the long-term development of sport, culture and arts.

HONG KONG ATHLETES FUND

19. On 9 August 1996, the Government announced the setting up of the Hong Kong Athletes Fund (HKAF) to which it would commit one dollar (up to a maximum of \$8,000,000) for every dollar contributed by the community. The broad aim of the HKAF is to provide grants for educational and other academic training to individual athletes to allow them to pursue excellence in their chosen sport and to provide them with the opportunity to develop alternative careers upon retirement from competitive sport.

20. On 12 November 1996, the Government agreed to donate \$8,000,000 to the HKAF. This sum together with public donations of \$5,248,000 brought the total capital of the HKAF to \$13,248,000 as at 31 March 2002. The capital is kept intact and the investment income accruing thereon is used to meet the objects of the HKAF. A sum of \$5,000,000 was approved in 2008-2009 as a one-off injection into the HKAF to implement a new scheme to reward young athletes who win medals at major international youth games with educational subsidies from the HKAF.

21. The Elite Training and Athletes Affairs Committee of the Hong Kong Sports Institute Limited is responsible for advising on the disbursement of grants from the HKAF. Membership of the Committee is shown on page 3.

22. In 2009-2010, a total of \$885,390, with individual grants ranging from \$15,000 to \$126,300 were approved to cover the tuition fees of 14 athletes. A total of \$404,000 was also disbursed as educational subsidies to 62 young athletes who won medals in the Asian Youth Games and the Asian Youth Para Games.

ARTS DEVELOPMENT FUND

23. The Arts Development Fund (ADF) was set up with a government contribution of \$30,000,000 in May 1993. The Secretary for Home Affairs is the authority for disbursing grants from the ADF. The ADF aims to enhance the development of the arts and culture in Hong Kong. Since the end of 2001, it has been deployed to support mainly cultural exchange projects.

24. The Finance Committee of the Legislative Council approved an injection of \$20,000,000 into the ADF on 26 January 2007. In 2009-2010, a total of \$2,064,622 was approved for 25 cultural exchange projects.

TSANG Tak-sing
Secretary for Home Affairs
5 July 2010

**REPORT OF THE DIRECTOR OF AUDIT
TO THE LEGISLATIVE COUNCIL**

I certify that I have audited the financial statements of the Sir David Trench Fund for Recreation set out on pages 13 to 36, which comprise the balance sheet as at 31 March 2010, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director of Accounting Services' responsibility for the financial statements

The Director of Accounting Services, as the trustee of the Sir David Trench Fund for Recreation, is responsible for the preparation and the true and fair presentation of these financial statements in accordance with section 9(1) of the Sir David Trench Fund for Recreation Ordinance (Cap. 1128) and Hong Kong Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 9(2) of the Sir David Trench Fund for Recreation 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 as to 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 and true and fair presentation of the financial statements 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 Director of Accounting Services, 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 Sir David Trench Fund for Recreation as at 31 March 2010 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 9(1) of the Sir David Trench Fund for Recreation Ordinance.

CHAN Bar-keung
Assistant Director of Audit
for Director of Audit

5 July 2010

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

Sir David Trench Fund For Recreation

BALANCE SHEET AS AT 31 MARCH 2010

		Note	2010 \$'000	2009 \$'000
MAIN FUND	ASSETS			
	Cash at bank		1,011	422
	Deposits with banks	3	23,500	25,223
	Investments in securities	4	128,668	103,348
	Receivables and other assets	5	106	708
	Total assets		<u>153,285</u>	<u>129,701</u>
	LIABILITIES			
	Payables and other liabilities	6	(2,213)	(30)
	Net assets		<u>151,072</u>	<u>129,671</u>
	Representing : FUND BALANCE			
Capital		23,200	23,200	
Accumulated surplus		127,872	106,471	
		<u>151,072</u>	<u>129,671</u>	
SPORTS AID FOR THE DISABLED FUND	ASSETS			
	Cash at bank		75	27
	Deposits with banks	3	6,500	5,215
	Investments in securities	4	834	2,012
	Receivables and other assets	5	16	50
	Total assets		<u>7,425</u>	<u>7,304</u>
	Representing : FUND BALANCE			
	Capital		6,500	6,500
	Accumulated surplus		925	804
			<u>7,425</u>	<u>7,304</u>
SPORTS AID FOUNDATION FUND	ASSETS			
	Cash at bank		650	29
	Deposits with banks	3	12,530	5,637
	Investments in securities	4	45,179	44,854
	Receivables and other assets	5	310	616
	Total assets		<u>58,669</u>	<u>51,136</u>
	Representing : FUND BALANCE			
	Capital		40,577	40,577
	Accumulated surplus		18,092	10,559
			<u>58,669</u>	<u>51,136</u>

Sir David Trench Fund For Recreation

BALANCE SHEET – Continued

		Note	2010 \$'000	2009 \$'000
ARTS DEVELOPMENT FUND	ASSETS			
	Cash at bank		764	36
	Deposits with banks	3	12,861	17,626
	Investments in securities	4	5,167	2,670
	Receivables and other assets	5	41	26
	Total assets		18,833	20,358
	LIABILITIES			
	Payables and other liabilities	6	(312)	(757)
	Net assets		18,521	19,601
	Representing : FUND BALANCE			
Capital		50,000	50,000	
Accumulated deficit		(31,479)	(30,399)	
			18,521	19,601
HONG KONG ATHLETES FUND	ASSETS			
	Cash at bank		370	69
	Deposits with banks	3	7,000	16,340
	Investments in securities	4	18,096	6,425
	Receivables and other assets	5	137	26
	Total assets		25,603	22,860
	LIABILITIES			
	Payables and other liabilities	6	(1)	(1)
	Net assets		25,602	22,859
	Representing : FUND BALANCE			
Capital		18,248	18,248	
Accumulated surplus		7,354	4,611	
			25,602	22,859
ARTS AND SPORT DEVELOPMENT FUND	ASSETS			
	Cash at bank		647	66
	Deposits with banks	3	122,600	193,258
	Investments in securities	4	39,745	23,332
	Receivables and other assets	5	456	514
	Total assets		163,448	217,170
	LIABILITIES			
	Payables and other liabilities	6	(2,180)	-
	Net assets		161,268	217,170
	Representing : FUND BALANCE			
Capital		530,000	530,000	
Accumulated deficit		(368,732)	(312,830)	
			161,268	217,170
TOTAL FUND BALANCE:			422,557	447,741

The accompanying notes 1 to 16 form part of these financial statements.



The Treasury
Hong Kong

5 July 2010

LI Kwok-tso
Director of Accounting Services
The Trustee of the Sir David Trench Fund for Recreation

Sir David Trench Fund For Recreation

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

		Note	2010 \$'000	2009 \$'000
MAIN FUND	Income	8	38,460	5,350
	Expenditure	9	<u>(17,059)</u>	<u>(52,793)</u>
	Surplus/(Deficit) for the year		<u>21,401</u>	<u>(47,443)</u>
SPORTS AID FOR THE DISABLED FUND	Income	8	125	176
	Expenditure	9	<u>(4)</u>	<u>(25)</u>
	Surplus for the year		<u>121</u>	<u>151</u>
SPORTS AID FOUNDATION FUND	Income	8	7,739	1,798
	Expenditure	9	<u>(206)</u>	<u>(5,321)</u>
	Surplus/(Deficit) for the year		<u>7,533</u>	<u>(3,523)</u>
ARTS DEVELOPMENT FUND	Income	8	303	554
	Expenditure	9	<u>(1,383)</u>	<u>(3,047)</u>
	Deficit for the year		<u>(1,080)</u>	<u>(2,493)</u>
HONG KONG ATHLETES FUND	Income	8	3,944	664
	Expenditure	9	<u>(1,201)</u>	<u>(4,392)</u>
	Surplus/(Deficit) for the year		<u>2,743</u>	<u>(3,728)</u>
ARTS AND SPORT DEVELOPMENT FUND	Income	8	7,840	12,937
	Expenditure	9	<u>(63,742)</u>	<u>(48,027)</u>
	Deficit for the year		<u>(55,902)</u>	<u>(35,090)</u>

The accompanying notes 1 to 16 form part of these financial statements.

Sir David Trench Fund For Recreation

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010**

		Capital \$'000	Accumulated surplus/(deficit) \$'000	Total \$'000
MAIN FUND	Balance at 1 April 2008	23,200	153,914	177,114
	Deficit for the year 2008-09		(47,443)	(47,443)
	Balance at 31 March 2009	<u>23,200</u>	<u>106,471</u>	<u>129,671</u>
	Surplus for the year 2009-10		21,401	21,401
	Balance at 31 March 2010	<u><u>23,200</u></u>	<u><u>127,872</u></u>	<u><u>151,072</u></u>
SPORTS AID FOR THE DISABLED FUND	Balance at 1 April 2008	6,500	653	7,153
	Surplus for the year 2008-09		151	151
	Balance at 31 March 2009	<u>6,500</u>	<u>804</u>	<u>7,304</u>
	Surplus for the year 2009-10		121	121
	Balance at 31 March 2010	<u><u>6,500</u></u>	<u><u>925</u></u>	<u><u>7,425</u></u>
SPORTS AID FOUNDATION FUND	Balance at 1 April 2008	40,577	14,082	54,659
	Deficit for the year 2008-09		(3,523)	(3,523)
	Balance at 31 March 2009	<u>40,577</u>	<u>10,559</u>	<u>51,136</u>
	Surplus for the year 2009-10		7,533	7,533
	Balance at 31 March 2010	<u><u>40,577</u></u>	<u><u>18,092</u></u>	<u><u>58,669</u></u>

Sir David Trench Fund For Recreation

STATEMENT OF CHANGES IN EQUITY – Continued

		Capital \$'000	Accumulated surplus/(deficit) \$'000	Total \$'000
ARTS DEVELOPMENT FUND	Balance at 1 April 2008	50,000	(27,906)	22,094
	Deficit for the year 2008-09		(2,493)	(2,493)
	Balance at 31 March 2009	<u>50,000</u>	<u>(30,399)</u>	<u>19,601</u>
	Deficit for the year 2009-10		(1,080)	(1,080)
	Balance at 31 March 2010	<u><u>50,000</u></u>	<u><u>(31,479)</u></u>	<u><u>18,521</u></u>
HONG KONG ATHLETES FUND	Balance at 1 April 2008	13,248	8,339	21,587
	Injection in 2008-09	5,000		5,000
	Deficit for the year 2008-09		(3,728)	(3,728)
	Balance at 31 March 2009	<u>18,248</u>	<u>4,611</u>	<u>22,859</u>
	Surplus for the year 2009-10		2,743	2,743
	Balance at 31 March 2010	<u><u>18,248</u></u>	<u><u>7,354</u></u>	<u><u>25,602</u></u>
ARTS AND SPORT DEVELOPMENT FUND	Balance at 1 April 2008	380,000	(277,740)	102,260
	Injection in 2008-09	150,000		150,000
	Deficit for the year 2008-09		(35,090)	(35,090)
	Balance at 31 March 2009	<u>530,000</u>	<u>(312,830)</u>	<u>217,170</u>
	Deficit for the year 2009-10		(55,902)	(55,902)
	Balance at 31 March 2010	<u><u>530,000</u></u>	<u><u>(368,732)</u></u>	<u><u>161,268</u></u>

Sir David Trench Fund For Recreation

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010**

	Note	2010 \$'000	2009 \$'000	
MAIN FUND	Net cash (used in) / from operating activities	10	(8,134)	6,801
	Cash and cash equivalents at beginning of year		25,645	18,844
	Cash and cash equivalents at end of year	11	<u>17,511</u>	<u>25,645</u>
SPORTS AID FOR THE DISABLED FUND	Net cash from operating activities	10	1,333	2,193
	Cash and cash equivalents at beginning of year		5,242	3,049
	Cash and cash equivalents at end of year	11	<u>6,575</u>	<u>5,242</u>
SPORTS AID FOUNDATION FUND	Net cash from / (used in) operating activities	10	7,514	(10,910)
	Cash and cash equivalents at beginning of year		5,666	16,576
	Cash and cash equivalents at end of year	11	<u>13,180</u>	<u>5,666</u>
ARTS DEVELOPMENT FUND	Net cash (used in) / from operating activities	10	(15,698)	1,293
	Cash and cash equivalents at beginning of year		17,662	16,369
	Cash and cash equivalents at end of year	11	<u>1,964</u>	<u>17,662</u>
HONG KONG ATHLETES FUND	Net cash (used in) / from operating activities	10	(9,039)	10,349
	Cash from financing activities – Government injection		-	5,000
	Cash and cash equivalents at beginning of year		16,409	1,060
	Cash and cash equivalents at end of year	11	<u>7,370</u>	<u>16,409</u>
ARTS AND SPORT DEVELOPMENT FUND	Net cash used in operating activities	10	(174,777)	(39,612)
	Cash from financing activities – Government injection		-	150,000
	Cash and cash equivalents at beginning of year		193,324	82,936
	Cash and cash equivalents at end of year	11	<u>18,547</u>	<u>193,324</u>

The accompanying notes 1 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. LEGISLATION

The Sir David Trench Fund for Recreation was established under the Sir David Trench Fund for Recreation Ordinance (Cap. 1128) which was passed by the Legislative Council on 11 February 1970. The principal activities of the Fund are the provision of, or assistance in the provision of facilities for recreational, sporting, cultural and social activities, and the investment of moneys of the Fund in approved investments. The financial statements of the Fund are prepared in accordance with section 9 of the Ordinance.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, and accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by the Fund is set out below.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is historical cost modified by revaluations or changes in fair value of the investments in securities as explained in the accounting policies set out 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 and liabilities, income and expenditure. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

HKAS 1 (Revised), Presentation of Financial Statements, separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income and presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Fund, without other comprehensive income, has elected to present one statement. The standard also introduced terminology changes to titles for the financial statements. While the Fund has changed the "Cash Flow Statement" to "Statement of Cash Flows", it has elected to retain the titles of "Income and Expenditure Account" and "Balance Sheet".

Amendments to HKFRS 7, Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments, require enhanced disclosures about fair value measurements and liquidity risk. The amendments introduce a three-level hierarchy (note 14) for fair value measurement disclosures about financial instruments and require some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help improve comparability between entities about the effects of fair value measurements. In addition, the amendments clarify and enhance the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. The Fund has applied the amendments in 2009-10. The amendments do not require the provision of comparative figures.

(c) Investments in securities

In accordance with HKAS 39, all investments in securities (investments) are classified as "financial assets at fair value" based on the fact that the investments are managed and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Investments primarily consist of equity and debt securities and are initially recognised at fair value, which normally will be equal to the transaction prices, excluding transaction costs which are expensed as incurred. They are subsequently re-measured at fair value. Purchases and sales of investments are recognised using trade date accounting.

When investments are sold, the Fund uses the weighted average method to determine realised gains and losses to be recognised in the income and expenditure account.

Changes in fair value of investments are recognised as revaluation gains or losses in the income and expenditure account.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which the Fund has no intention of trading, other than those that the Fund, upon initial recognition, designates as at fair value. This category includes cash at bank and deposits with banks.

Loans and receivables are carried at amortised cost using the effective interest method.

(e) Income recognition

Interest income from debt securities is recognised on a time-proportion basis using the effective interest method. Dividend income is recognised when the share price goes ex-dividend. Other income is recognised on an accrual basis.

The effective interest method is a method of calculating the amortised cost of an investment 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 investment or, when appropriate, a shorter period to the net carrying amount of the investment.

(f) 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. Foreign currency assets and liabilities are translated into Hong Kong dollars using exchange rates ruling at the balance sheet date. Exchange gains or losses arising are included in the income and expenditure account.

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank and deposits with banks with a maturity of three months or less from the date of placement.

3. DEPOSITS WITH BANKS

These are deposits placed with licensed banks in Hong Kong for investment under section 7(1) of the Sir David Trench Fund for Recreation Ordinance.

4. INVESTMENTS IN SECURITIES

These are investments made under section 7(1) of the Sir David Trench Fund for Recreation Ordinance:

	2010 \$'000	2009 \$'000
MAIN FUND		
Hong Kong listed equity securities	54,000	34,742
Overseas equity securities	42,933	28,300
Hong Kong debt securities	-	33,374
Overseas debt securities	31,735	6,932
	<u>128,668</u>	<u>103,348</u>
SPORTS AID FOR THE DISABLED FUND		
Hong Kong debt securities	-	2,012
Overseas debt securities	834	-
	<u>834</u>	<u>2,012</u>
SPORTS AID FOUNDATION FUND		
Hong Kong listed equity securities	13,310	8,563
Hong Kong debt securities	-	36,291
Overseas debt securities	31,869	-
	<u>45,179</u>	<u>44,854</u>
ARTS DEVELOPMENT FUND		
Hong Kong debt securities	-	1,506
Overseas debt securities	5,167	1,164
	<u>5,167</u>	<u>2,670</u>
HONG KONG ATHLETES FUND		
Hong Kong listed equity securities	4,612	2,967
Overseas equity securities	3,710	2,445
Hong Kong debt securities	-	1,013
Overseas debt securities	9,774	-
	<u>18,096</u>	<u>6,425</u>
ARTS AND SPORT DEVELOPMENT FUND		
Hong Kong debt securities	-	20,611
Overseas debt securities	39,745	2,721
	<u>39,745</u>	<u>23,332</u>

5. RECEIVABLES AND OTHER ASSETS

	2010 \$'000	2009 \$'000
MAIN FUND		
Interest receivable	106	494
Dividend receivable	-	214
	106	708
SPORTS AID FOR THE DISABLED FUND		
Interest receivable	16	50
SPORTS AID FOUNDATION FUND		
Interest receivable	310	616
ARTS DEVELOPMENT FUND		
Interest receivable	41	26
HONG KONG ATHLETES FUND		
Interest receivable	137	7
Dividend receivable	-	19
	137	26
ARTS AND SPORT DEVELOPMENT FUND		
Interest receivable	456	514

6. PAYABLES AND OTHER LIABILITIES

These include grants of which disbursement was being processed and accrued investment management and custodian fees as at the balance sheet date.

7. COMMITMENTS

These represent the unspent portion of the approved grants under the funds:

	2010 \$'000	2009 \$'000
MAIN FUND	22,276	17,241
SPORTS AID FOR THE DISABLED FUND	965	965
SPORTS AID FOUNDATION FUND	8,100	8,100
ARTS DEVELOPMENT FUND	642	585
HONG KONG ATHLETES FUND	1,295	1,919
ARTS AND SPORT DEVELOPMENT FUND	65,670	66,472
	98,948	95,282

8. INCOME

	2010 \$'000	2009 \$'000
MAIN FUND		
Net gains on disposal of investments in securities	-	239
Net revaluation gains on investments in securities	34,770	-
Dividend income	2,259	2,742
Interest income from debt securities	1,382	2,191
Other interest income	44	178
Net realised and revaluation gains on other assets	5	-
	38,460	5,350
SPORTS AID FOR THE DISABLED FUND		
Net revaluation gains on investments in securities	56	8
Interest income from debt securities	51	113
Other interest income	18	55
	125	176
SPORTS AID FOUNDATION FUND		
Net gains on disposal of investments in securities	-	20
Net revaluation gains on investments in securities	6,097	-
Dividend income	335	382
Interest income from debt securities	1,291	1,350
Other interest income	13	46
Net realised and revaluation gains on other assets	3	-
	7,739	1,798
ARTS DEVELOPMENT FUND		
Net revaluation gains on investments in securities	128	-
Interest income from debt securities	109	327
Other interest income	55	227
Net realised and revaluation gains on other assets	11	-
	303	554
HONG KONG ATHLETES FUND		
Net revaluation gains on investments in securities	3,380	-
Dividend income	194	234
Interest income from debt securities	355	412
Other interest income	14	18
Net realised and revaluation gains on other assets	1	-
	3,944	664
ARTS AND SPORT DEVELOPMENT FUND		
Refund of grants	5,363	10,741
Net revaluation gains on investments in securities	985	-
Interest income from debt securities	829	1,123
Other interest income	582	1,073
Net realised and revaluation gains on other assets	81	-
	7,840	12,937

9. EXPENDITURE

	2010 \$'000	2009 \$'000
MAIN FUND		
Grants	16,811	7,378
Bank charges	10	32
Investment management fees	45	47
Net losses on disposal of investments in securities	193	-
Net revaluation losses on investments in securities	-	45,308
Net realised and revaluation losses on other assets	-	28
	<u>17,059</u>	<u>52,793</u>
 SPORTS AID FOR THE DISABLED FUND		
Bank charges	1	1
Net losses on disposal of investments in securities	3	24
	<u>4</u>	<u>25</u>
 SPORTS AID FOUNDATION FUND		
Bank charges	7	10
Net losses on disposal of investments in securities	199	-
Net revaluation losses on investments in securities	-	5,311
	<u>206</u>	<u>5,321</u>
 ARTS DEVELOPMENT FUND		
Grants	1,380	2,951
Bank charges	1	1
Net losses on disposal of investments in securities	2	28
Net revaluation losses on investments in securities	-	62
Net realised and revaluation losses on other assets	-	5
	<u>1,383</u>	<u>3,047</u>
 HONG KONG ATHLETES FUND		
Grants	1,181	476
Bank charges	1	4
Investment management fees	4	4
Net losses on disposal of investments in securities	15	125
Net revaluation losses on investments in securities	-	3,783
	<u>1,201</u>	<u>4,392</u>
 ARTS AND SPORT DEVELOPMENT FUND		
Grants	63,689	47,603
Bank charges	5	3
Net losses on disposal of investments in securities	48	136
Net revaluation losses on investments in securities	-	262
Net realised and revaluation losses on other assets	-	23
	<u>63,742</u>	<u>48,027</u>

10. RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH FROM/(USED IN) OPERATING ACTIVITIES

	2010 \$'000	2009 \$'000
MAIN FUND		
Surplus/(Deficit) for the year	21,401	(47,443)
Interest income from debt securities	(1,382)	(2,191)
Other interest income	(44)	(178)
Dividend income	(2,259)	(2,742)
Net (gains)/losses on disposal of investments in securities	193	(239)
Net revaluation (gains)/losses on investments in securities	(34,770)	45,308
Increase/(Decrease) in payables and other liabilities	2,183	(8,936)
Placements of deposits with banks	(7,000)	-
Purchase of securities	(23,859)	(17,792)
Proceeds from disposal of securities	33,000	35,720
Interest received	1,930	2,766
Dividend received	2,473	2,528
Net cash (used in)/from operating activities	(8,134)	6,801
SPORTS AID FOR THE DISABLED FUND		
Surplus for the year	121	151
Interest income from debt securities	(51)	(113)
Other interest income	(18)	(55)
Net losses on disposal of investments in securities	3	24
Net revaluation gains on investments in securities	(56)	(8)
Purchase of securities	(779)	-
Proceeds from disposal of securities	2,000	2,000
Interest received	113	194
Net cash from operating activities	1,333	2,193
SPORTS AID FOUNDATON FUND		
Surplus/(Deficit) for the year	7,533	(3,523)
Interest income from debt securities	(1,291)	(1,350)
Other interest income	(13)	(46)
Dividend income	(335)	(382)
Net (gains)/losses on disposal of investments in securities	199	(20)
Net revaluation (gains)/losses on investments in securities	(6,097)	5,311
Decrease in payables and other liabilities	-	(13,813)
Decrease in other receivables	-	1
Purchase of securities	(30,527)	(6,305)
Proceeds from disposal of securities	36,000	7,114
Interest received	1,710	1,721
Dividend received	335	382
Net cash from/(used in) operating activities	7,514	(10,910)

10. RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH FROM/(USED IN) OPERATING ACTIVITIES — Continued

	2010 \$'000	2009 \$'000
ARTS DEVELOPMENT FUND		
Deficit for the year	(1,080)	(2,493)
Interest income from debt securities	(109)	(327)
Other interest income	(55)	(227)
Net losses on disposal of investments in securities	2	28
Net revaluation (gains)/losses on investments in securities	(128)	62
Decrease in payables and other liabilities	(445)	(1,309)
Decrease in other receivables	-	45
Placements of deposits with banks	(11,661)	-
Purchase of securities	(5,039)	-
Proceeds from disposal of securities	2,663	4,878
Interest received	154	636
Net cash (used in)/from operating activities	(15,698)	1,293
HONG KONG ATHLETES FUND		
Surplus/(Deficit) for the year	2,743	(3,728)
Interest income from debt securities	(355)	(412)
Other interest income	(14)	(18)
Dividend income	(194)	(234)
Net losses on disposal of investments in securities	15	125
Net revaluation (gains)/losses on investments in securities	(3,380)	3,783
Decrease in payables and other liabilities	-	(218)
Decrease in other receivables	-	1
Purchase of securities	(9,308)	(1,126)
Proceeds from disposal of securities	1,000	11,448
Interest received	241	513
Dividend received	213	215
Net cash (used in)/from operating activities	(9,039)	10,349
ARTS AND SPORT DEVELOPMENT FUND		
Deficit for the year	(55,902)	(35,090)
Interest income from debt securities	(829)	(1,123)
Other interest income	(582)	(1,073)
Net losses on disposal of investments in securities	48	136
Net revaluation (gains)/losses on investments in securities	(985)	262
Increase/(Decrease)in payables and other liabilities	2,180	(12,591)
Decrease in other receivables	-	1,340
Placements of deposits with banks	(104,700)	-
Purchase of securities	(38,760)	-
Proceeds from disposal of securities	23,213	6,000
Interest received	1,540	2,527
Net cash used in operating activities	(174,777)	(39,612)

11. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	2010 \$'000	2009 \$'000
MAIN FUND		
Cash at bank	1,011	422
Deposits with banks	<u>16,500</u>	<u>25,223</u>
	<u>17,511</u>	<u>25,645</u>
SPORTS AID FOR THE DISABLED FUND		
Cash at bank	75	27
Deposits with banks	<u>6,500</u>	<u>5,215</u>
	<u>6,575</u>	<u>5,242</u>
SPORTS AID FOUNDATION FUND		
Cash at bank	650	29
Deposits with banks	<u>12,530</u>	<u>5,637</u>
	<u>13,180</u>	<u>5,666</u>
ARTS DEVELOPMENT FUND		
Cash at bank	764	36
Deposits with banks	<u>1,200</u>	<u>17,626</u>
	<u>1,964</u>	<u>17,662</u>
HONG KONG ATHLETES FUND		
Cash at bank	370	69
Deposits with banks	<u>7,000</u>	<u>16,340</u>
	<u>7,370</u>	<u>16,409</u>
ARTS AND SPORT DEVELOPMENT FUND		
Cash at bank	647	66
Deposits with banks	<u>17,900</u>	<u>193,258</u>
	<u>18,547</u>	<u>193,324</u>
Reconciliation with the balance sheet:		
	2010 \$'000	2009 \$'000
MAIN FUND		
Amounts in the balance sheet:		
Cash at bank	1,011	422
Deposits with banks	<u>23,500</u>	<u>25,223</u>
	<u>24,511</u>	<u>25,645</u>
Less: Amounts with original maturity beyond 3 months	<u>(7,000)</u>	<u>-</u>
Cash and cash equivalents in the statement of cash flows	<u>17,511</u>	<u>25,645</u>

11. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

— *Continued*

	2010	<i>2009</i>
	\$'000	<i>\$'000</i>
ARTS DEVELOPMENT FUND		
Amounts in the balance sheet:		
Cash at bank	764	36
Deposits with banks	<u>12,861</u>	<u>17,626</u>
	13,625	<i>17,662</i>
Less: Amounts with original maturity beyond 3 months	<u>(11,661)</u>	<u>-</u>
Cash and cash equivalents in the statement of cash flows	<u>1,964</u>	<u><i>17,662</i></u>
 ARTS AND SPORT DEVELOPMENT FUND		
Amounts in the balance sheet:		
Cash at bank	647	66
Deposits with banks	<u>122,600</u>	<u>193,258</u>
	123,247	<i>193,324</i>
Less: Amounts with original maturity beyond 3 months	<u>(104,700)</u>	<u>-</u>
Cash and cash equivalents in the statement of cash flows	<u>18,547</u>	<u><i>193,324</i></u>

12. CAPITAL RISK MANAGEMENT

The Sir David Trench Fund for Recreation consists of the Main Fund and the following five sub-funds:

- Sports Aid for the Disabled Fund;
- Sports Aid Foundation Fund;
- Arts Development Fund;
- Hong Kong Athletes Fund; and
- Arts and Sport Development Fund.

Injections from the Government and certain donations received were designated as capital of the Fund.

The capital of Arts Development Fund, Arts and Sport Development Fund and the Government injection of \$5 million into Hong Kong Athletes Fund in March 2009 for the special scheme for young athletes may be expended specifically for the purposes of the sub-funds. The capital of all other funds (including Main Fund, Sports Aid for the Disabled Fund, Sports Aid Foundation Fund and the capital of \$13.248 million for Hong Kong Athletes Fund before the Government injection in March 2009) is required to be kept intact and only the investment income accruing thereon may be used for the purposes of the funds.

The capital of all the funds is managed prudently to generate income for the purposes of the funds, and to maintain the capital requirements if necessary. The financial risks in their investment portfolios are monitored on a continuous basis to ensure that such risks are covered before funding is considered for the purposes of the funds.

13. FINANCIAL RISK MANAGEMENT

(a) Investment management and control

The Director of Accounting Services, as the trustee of the Fund, has the authority to invest any moneys of the Fund according to the recommendations or parameters set out by the Investment Advisory Committee.

The Investment Advisory Committee is established under section 7(2) of the Sir David Trench Fund for Recreation Ordinance, whose members are appointed by the Chief Executive. The authority of appointment has been delegated by the Chief Executive to the Secretary for Home Affairs.

The investment objective is to generate revenue and/or to achieve long-term capital appreciation by investing in a diversified portfolio in order to sponsor recreational, sporting, cultural and social activities.

The investment management and control of the Fund are set out in a documented risk management or investment strategy and reviewed on a regular basis by the Investment Advisory Committee.

(b) Market risk

The Fund is exposed to market risk for its investment in financial instruments. Market risk comprises price risk, interest rate risk and currency risk.

(i) Price risk

The Fund's investments in securities are subject to the securities price risk inherent in all securities i.e. the value of holdings may fall as well as rise. At 31 March 2010, the securities are reported as investments in securities as shown in note 4. The risk is primarily addressed through diversification of investment portfolio in accordance with a documented risk management or investment strategy, and the Fund monitors the price risk on a continuous basis.

If the market bid prices of the equity securities had increased / decreased by 5% with all other variables held constant, the impact on the income for the year would have been as follows:-

	2010	<i>2009</i>
	Effect on	<i>Effect on</i>
	Income for	<i>Income for</i>
	Changes of	<i>Changes of</i>
	5% Prices	<i>5% Prices</i>
	\$'000	<i>\$'000</i>
MAIN FUND	± 4,847	<i>± 3,152</i>
SPORTS AID FOUNDATION FUND	± 665	<i>± 428</i>
HONG KONG ATHLETES FUND	± 416	<i>± 271</i>

(ii) 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. Since the Fund's debt securities and its deposits with banks bear interest at fixed rates, their fair values will fall when market interest rates increase. Investments in debt securities are made in accordance with a documented risk management or investment strategy, and the Fund monitors the fair value interest rate risk on a continuous basis. As regards deposits with banks, since they are all stated at amortised cost, their carrying amounts and the Fund's income and accumulated funds will not be affected by changes in market interest rates.

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Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund has no exposure to cash flow interest rate risk because there is no holding of debt securities bearing interest at rates determined by reference to market interest rates.

The table below sets out the Fund'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 the earlier of contractual repricing dates or maturity dates and stating the effective interest rate for each group of assets.

	Weighted average effective interest rate	Repricing Period			Total \$'000
		Up to 3 months \$'000	Over 3 months to 1 year \$'000	Over 1 year to 5 years \$'000	
MAIN FUND					
2010					
Deposits with banks	0.43%	16,500	7,000	—	23,500
Debt securities	3.40%	—	7,888	23,847	31,735
		16,500	14,888	23,847	55,235
2009					
Deposits with banks	0.35%	25,223	—	—	25,223
Debt securities	3.51%	7,537	25,837	6,932	40,306
		32,760	25,837	6,932	65,529
SPORTS AID FOR THE DISABLED FUND					
2010					
Deposits with banks	0.28%	6,500	—	—	6,500
Debt securities	5.39%	—	—	834	834
		6,500	—	834	7,334
2009					
Deposits with banks	0.44%	5,215	—	—	5,215
Debt securities	2.04%	1,004	1,008	—	2,012
		6,219	1,008	—	7,227
SPORTS AID FOUNDATION FUND					
2010					
Deposits with banks	0.30%	12,530	—	—	12,530
Debt securities	3.83%	—	—	31,869	31,869
		12,530	—	31,869	44,399
2009					
Deposits with banks	0.35%	5,637	—	—	5,637
Debt securities	3.47%	20,089	16,202	—	36,291
		25,726	16,202	—	41,928

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	Weighted average effective interest rate	Repricing Period			Total \$'000
		Up to 3 months \$'000	Over 3 months to 1 year \$'000	Over 1 year to 5 years \$'000	
ARTS DEVELOPMENT FUND					
2010					
Deposits with banks	0.60%	7,200	5,661	—	12,861
Debt securities	2.70%	—	—	5,167	5,167
		7,200	5,661	5,167	18,028
2009					
Deposits with banks	0.49%	17,626	—	—	17,626
Debt securities	4.63%	1,506	1,164	—	2,670
		19,132	1,164	—	20,296
HONG KONG ATHLETES FUND					
2010					
Deposits with banks	0.27%	7,000	—	—	7,000
Debt securities	4.54%	—	—	9,774	9,774
		7,000	—	9,774	16,774
2009					
Deposits with banks	0.45%	16,340	—	—	16,340
Debt securities	4.53%	—	1,013	—	1,013
		16,340	1,013	—	17,353
ARTS AND SPORT DEVELOPMENT FUND					
2010					
Deposits with banks	0.72%	79,201	43,399	—	122,600
Debt securities	2.70%	—	—	39,745	39,745
		79,201	43,399	39,745	162,345
2009					
Deposits with banks	0.39%	193,258	—	—	193,258
Debt securities	3.65%	13,553	9,779	—	23,332
		206,811	9,779	—	216,590

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The table below sets out the Fund's exposure to the fair value interest rate risk. If the interest rates had been 100 basis points (b.p.) lower / higher with all other variables held constant, the impact on the income for the year would have been as follows:

	2010 Effect on Income for Changes in Interest Rates of 100 b.p. \$'000	<i>2009</i> <i>Effect on Income</i> <i>for Changes in</i> <i>Interest Rates of</i> <i>100 b.p.</i> <i>\$'000</i>
MAIN FUND	±359	<i>± 271</i>
SPORTS AID FOR THE DISABLED FUND	±34	<i>± 7</i>
SPORTS AID FOUNDATION FUND	±788	<i>± 122</i>
ARTS DEVELOPMENT FUND	±70	<i>±5</i>
HONG KONG ATHLETES FUND	±310	<i>± 6</i>
ARTS AND SPORT DEVELOPMENT FUND	±539	<i>± 58</i>

(iii) Currency risk

Currency risk is the risk that the fair value or future cashflows of financial instruments will fluctuate due to the changes in foreign exchange rates. The Fund's non-Hong Kong investments are exposed to currency risk. However, the Fund is not allowed to have investments denominated in currencies other than Hong Kong or US dollars in accordance with a documented risk management or investment strategy.

The following table summarises the net exposure to individual currency at the balance sheet date:

	Currency	2010 \$'000	<i>2009</i> <i>\$'000</i>
MAIN FUND	HK dollars	75,611	<i>88,196</i>
	US dollars	75,461	<i>41,475</i>
		<u>151,072</u>	<i><u>129,671</u></i>
SPORTS AID FOR THE DISABLED FUND	HK dollars	6,544	<i>7,304</i>
	US dollars	881	<i>-</i>
		<u>7,425</u>	<i><u>7,304</u></i>
SPORTS AID FOUNDATION FUND	HK dollars	25,890	<i>51,136</i>
	US dollars	32,779	<i>-</i>
		<u>58,669</u>	<i><u>51,136</u></i>
ARTS DEVELOPMENT FUND	HK dollars	7,572	<i>13,970</i>
	US dollars	10,949	<i>5,631</i>
		<u>18,521</u>	<i><u>19,601</u></i>
HONG KONG ATHLETES FUND	HK dollars	11,699	<i>20,372</i>
	US dollars	13,903	<i>2,487</i>
		<u>25,602</u>	<i><u>22,859</u></i>
ARTS AND SPORT DEVELOPMENT FUND	HK dollars	77,601	<i>209,046</i>
	US dollars	83,667	<i>8,124</i>
		<u>161,268</u>	<i><u>217,170</u></i>

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As the exchange rate of Hong Kong dollars is pegged to the US dollars, foreign currency risk between Hong Kong dollars and US dollars is limited. Therefore, the Fund does not have significant exposures to currency risk.

(c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due. The Fund's financial assets which are potentially subject to credit risk consist principally of debt securities and bank balances. Receivables and other assets include mainly accrued interest and the associated credit risk is minimal. The Fund selects issuer or counterparty with good credit standing, strong financial strength and sizable capital. The Fund also limits the individual exposure, in accordance with a documented risk management or investment strategy. Hence, the Fund does not have significant exposures to credit risk and monitoring is done on a continuous basis.

The table below sets out the Fund's exposure to the credit risk at the balance sheet date without taking account of collateral held or other credit enhancements, if any:

	2010	2009
	\$'000	\$'000
MAIN FUND		
Cash at bank	1,011	422
Deposits with banks	23,500	25,223
Debt securities	31,735	40,306
Receivables and other assets	106	708
	<u>56,352</u>	<u>66,659</u>
SPORTS AID FOR THE DISABLED FUND		
Cash at bank	75	27
Deposits with banks	6,500	5,215
Debt securities	834	2,012
Receivables and other assets	16	50
	<u>7,425</u>	<u>7,304</u>
SPORTS AID FOUNDATION FUND		
Cash at bank	650	29
Deposits with banks	12,530	5,637
Debt securities	31,869	36,291
Receivables and other assets	310	616
	<u>45,359</u>	<u>42,573</u>
ARTS DEVELOPMENT FUND		
Cash at bank	764	36
Deposits with banks	12,861	17,626
Debt securities	5,167	2,670
Receivables and other assets	41	26
	<u>18,833</u>	<u>20,358</u>
HONG KONG ATHLETES FUND		
Cash at bank	370	69
Deposits with banks	7,000	16,340
Debt securities	9,774	1,013
Receivables and other assets	137	26
	<u>17,281</u>	<u>17,448</u>
ARTS AND SPORT DEVELOPMENT FUND		
Cash at bank	647	66
Deposits with banks	122,600	193,258
Debt securities	39,745	23,332
Receivables and other assets	456	514
	<u>163,448</u>	<u>217,170</u>

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To minimise credit risks, only credit ratings provided by recognised credit rating agencies are considered. The credit quality of major financial assets, analysed by the ratings designated by Moody's or their equivalents, at the balance sheet date is shown below:

	2010 \$'000	2009 \$'000
MAIN FUND		
Cash at bank and deposits with banks, by credit rating		
Aa1 to Aa3	13,511	422
A1 to A3	<u>11,000</u>	<u>25,223</u>
	24,511	25,645
Debt securities, by credit rating		
Aa1 to Aa3	23,847	30,864
A1 to A3	<u>7,888</u>	<u>9,442</u>
	31,735	40,306
	56,246	65,951
SPORTS AID FOR THE DISABLED FUND		
Cash at bank and deposits with banks, by credit rating		
Aa1 to Aa3	3,725	27
A1 to A3	<u>2,850</u>	<u>5,215</u>
	6,575	5,242
Debt securities, by credit rating		
Aa1 to Aa3	-	2,012
A1 to A3	<u>834</u>	<u>-</u>
	834	2,012
	7,409	7,254
SPORTS AID FOUNDATION FUND		
Cash at bank and deposits with banks, by credit rating		
Aa1 to Aa3	13,180	29
A1 to A3	<u>-</u>	<u>5,637</u>
	13,180	5,666
Debt securities, by credit rating		
Aa1 to Aa3	18,521	26,253
A1 to A3	<u>13,348</u>	<u>10,038</u>
	31,869	36,291
	45,049	41,957
ARTS DEVELOPMENT FUND		
Cash at bank and deposits with banks, by credit rating		
Aa1 to Aa3	6,764	36
A1 to A3	<u>6,861</u>	<u>17,626</u>
	13,625	17,662
Debt securities, by credit rating		
Aa1 to Aa3	5,167	1,164
A1 to A3	<u>-</u>	<u>1,506</u>
	5,167	2,670
	18,792	20,332

Sir David Trench Fund For Recreation

	2010 \$'000	2009 \$'000
HONG KONG ATHLETES FUND		
Cash at bank and deposits with banks, by credit rating		
Aa1 to Aa3	1,370	5,759
A1 to A3	6,000	10,650
	7,370	16,409
Debt securities, by credit rating		
Aa1 to Aa3	3,100	1,013
A1 to A3	6,674	-
	9,774	1,013
	17,144	17,422
ARTS AND SPORT DEVELOPMENT FUND		
Cash at bank and deposits with banks, by credit rating		
Aa1 to Aa3	58,341	104,675
A1 to A3	64,906	88,649
	123,247	193,324
Debt securities, by credit rating		
Aa1 to Aa3	39,745	15,804
A1 to A3	-	7,528
	39,745	23,332
	162,992	216,656

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not have sufficient funds available to meet its obligations as they fall due. The Fund monitors the liquidity requirements on a continuous basis and maintains a level of short term deposits and cash to pay grants as necessary. Hence, the Fund does not have significant exposures to liquidity risk.

14. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of financial instruments traded in active markets is based on quoted markets prices at the balance sheet date. In the absence of such quoted market prices, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions existing at the balance sheet date. The fair values of unlisted investment funds are estimated by investment managers. These fair values approximate the net asset values of the investments. Depending on the redemption and liquidity features of the investments, the fair values may not necessarily represent the amounts that can be ultimately realised by the Fund.

The following table shows the carrying value of financial instruments measured at fair value at the balance sheet date according to the fair value hierarchy:

	As at 31 March 2010		
	Level 1 \$'000	Level 2 \$'000	Total \$'000
MAIN FUND			
Financial assets designated at fair value	61,888	66,780	128,668
SPORTS AID FOR THE DISABLED FUND			
Financial assets designated at fair value	834	-	834
SPORTS AID FOUNDATION FUND			
Financial assets designated at fair value	26,658	18,521	45,179

Sir David Trench Fund For Recreation

	As at 31 March 2010		
	Level 1 \$'000	Level 2 \$'000	Total \$'000
ARTS DEVELOPMENT FUND			
Financial assets designated at fair value	–	5,167	5,167
HONG KONG ATHLETES FUND			
Financial assets designated at fair value	11,286	6,810	18,096
ARTS AND SPORTS DEVELOPMENT FUND			
Financial assets designated at fair value	–	39,745	39,745

No financial assets were classified under Level 3.

The three levels of the fair value hierarchy are:

Level 1 – fair values of financial instruments are quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values of financial instruments are determined involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – fair values of financial instruments are determined with inputs that are not based on observable market data (unobservable inputs).

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

16. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2010

Up to the date of issue of the financial statements, the Hong Kong Institute of Certified Public Accountants has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2010 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 a significant impact on the Fund's results of operations and financial position.

The following development may result in new or amended disclosures in future financial statements:

**Effective for accounting
periods beginning on or after**

HKFRS 9, Financial Instruments

1 January 2013

SCHEDULE 1

STATEMENT OF APPROVED GRANTS

(This statement does not include projects completed before 1 April 2009)

Description	Approved Commitment \$	Expenditure Less Refund during 2009/2010 \$	Total Expenditure up to 31.3.2010 \$	Unspent Balance (N=Not required) \$
MAIN FUND				
I. NON-CAPITAL WORKS PROJECTS				
(a) Projects approved in 2006-2007				
1 Hong Kong Ching Fai Association Limited -to purchase camping equipment	11,745	11,745	11,745	-
Total, Non-Capital Works Projects approved in 2006-2007	<u>11,745</u>	<u>11,745</u>	<u>11,745</u>	<u>-</u>
(b) Projects approved in 2007-2008				
1 Higher Valued Sports Equipment for Sports Development -to promote sports development	2,684,884	351,636	2,479,692	183,447 21,745 N
2 Hong Chi Association -to purchase sports and recreational equipment	62,064	-	58,360	3,704 N
3 Mongkok District Residence Association -to purchase sports and recreational equipment	2,635	-	-	2,635 N
Total, Non-Capital Works Projects approved in 2007-2008	<u>2,749,583</u>	<u>351,636</u>	<u>2,538,052</u>	<u>211,531</u>
(c) Projects approved in 2008-2009				
1 Asbury Methodist Social Service -to purchase sports, camping and recreational equipment	17,979	17,979	17,979	-
2 Association of Baptists for World Evangelism (HK) Ltd. -to purchase sports, camping and recreational equipment	9,824	9,814	9,814	10 N
3 Baptist Oi Kwan Social Service -to purchase sports, camping and recreational equipment	16,500	16,500	16,500	-
4 Caritas - Hong Kong -to purchase sports and recreational equipment	75,574	30,539	71,622	3,952 N
5 Chinese Young Men's Christian Association of Hong Kong -to purchase sports and recreational equipment	173,504	161,994	161,994	11,510 N
6 Christian and Missionary Alliance Church Union Hong Kong Ltd. -to purchase sports, camping and recreational equipment	18,980	3,500	18,980	-
7 Christian Family Service Centre -to purchase sports and recreational equipment	4,200	4,200	4,200	-
8 Evangelical Lutheran Church Social Service - Hong Kong -to purchase camping equipment	35,835	32,435	32,435	3,400 N
9 Explorer Sports Club -to purchase sports equipment	37,200	29,080	29,080	8,120 N
10 Fu Hong Society -to purchase sports, camping and recreational equipment	29,845	8,407	29,772	73 N
11 Haven of Hope Christian Service -to purchase sports equipment	25,883	25,294	25,294	589 N
12 Handball Association of Hong Kong, China Ltd -to purchase sports equipment	62,940	38,880	38,880	24,060 N
13 Helping Hand -to purchase sports, camping and recreational equipment	15,820	9,200	15,780	40 N
14 Heung Hoi Ching Kok Lin Association -to purchase sports, camping and recreational equipment	6,100	6,100	6,100	-

STATEMENT OF APPROVED GRANTS - Continued

SCHEDULE 1

Description	Approved	Expenditure	Total	Unspent
	Commitment	Less Refund during 2009/2010	Expenditure up to 31.3.2010	Balance (N=Not required)
	\$	\$	\$	\$
15 Higher Valued Sports Equipment for Sports Development -to promote sports development	8,951,594	5,600,901	7,125,771	1,299,610 526,213 N
16 Hong Kong Baptist Assembly -to purchase sports equipment	23,811	23,596	23,596	215 N
17 Hong Kong Buddhist Association -to purchase sports, camping and recreational equipment	37,237	34,712	34,712	2,525 N
18 Hong Kong Canoe Union -to purchase sports equipment	64,890	64,890	64,890	-
19 Hong Kong Children & Youth Services -to purchase sports equipment	20,330	20,078	20,078	252 N
20 Hong Kong Christian Service -to purchase sports, camping and recreational equipment	77,221	45,210	75,185	2,036 N
21 Hong Kong Girl Guides Association -to purchase camping equipment	48,821	46,841	46,841	1,980 N
22 Hong Kong Kendo Association Ltd -to purchase sports equipment	66,550	66,550	66,550	-
23 Hong Kong-Macao Conference of Seventh-Day Adventists -to purchase sports, camping and recreational equipment	76,467	33,485	70,513	5,954 N
24 Hong Kong Playground Association -to purchase sports, camping and recreational equipment	113,457	56,752	113,382	75 N
25 Hong Kong Sheng Kung Hui Welfare Council -to purchase sports, camping and recreational equipment	74,552	67,202	67,202	7,350 N
26 Hong Kong Society for the Aged -to purchase sports and recreational equipment	4,080	2,550	4,080	-
27 Hong Kong Society for the Protection of Children -to purchase recreational equipment	11,030	10,900	10,900	130 N
28 Hong Kong Young Women's Christian Association -to purchase sports equipment	8,480	8,480	8,480	-
29 Lionrock Archery Club -to purchase sports equipment	2,400	2,400	2,400	-
30 Annual Lump Sum Allocation for Non-Capital Works Projects for Home Affairs Department -to purchase sports and recreational equipment	399,014	164,111	368,622	6,738 23,654 N
31 Methodist Epworth Village Community Centre, Social Welfare -to purchase sports and recreational equipment	10,352	10,350	10,350	2 N
32 New Life Psychiatric Rehabilitation Association -to purchase sports and recreational equipment	20,150	12,854	15,238	4,912 N
33 Sail Training Association of Hong Kong Limited -to purchase sports equipment	45,000	45,000	45,000	-
34 Salesian Society -to purchase sports and recreational equipment	57,150	40,310	57,150	-
35 Scout Association of Hong Kong -to purchase sports and camping equipment	110,600	110,480	110,480	120 N
36 Scout Association of Hong Kong, The Friends of Scouting -to purchase sports and recreational equipment	14,284	14,284	14,284	-
37 St. James' Settlement -to purchase sports equipment	16,888	16,668	16,668	220 N
38 The Association of Evangelical Free Churches of Hong Kong -to purchase sports and recreational equipment	25,716	24,186	24,186	1,530 N
39 The Free Methodist Church of Hong Kong -to purchase sports and recreational equipment	41,532	41,532	41,532	-

STATEMENT OF APPROVED GRANTS - Continued

SCHEDULE 1

<i>Description</i>	<i>Approved Commitment</i> \$	Expenditure Less Refund during 2009/2010 \$	<i>Total Expenditure up to 31.3.2010</i> \$	<i>Unspent Balance (N=Not required)</i> \$
40 Tai Wo Sports Association -to purchase sports and recreational equipment	75,000	74,153	74,153	847 N
41 The Boys' and Girls' Clubs Association of Hong Kong -to purchase sports and recreational equipment	28,503	3,378	27,123	1,380 N
42 The Child Development Centre -to purchase sports equipment	8,000	-	-	8,000
43 The Church of United Brethren in Christ Social Service Division -to purchase sports equipment	17,777	17,777	17,777	-
44 The Hong Kong Chinese Church of Christ -to purchase sports and recreational equipment	6,771	6,461	6,461	310 N
45 The Hong Kong Federation of Youth Groups -to purchase sports, camping and recreational equipment	157,636	98,283	151,133	6,503 N
46 The Hong Kong Life Saving Society -to purchase sports equipment	54,300	54,300	54,300	-
47 The Judo Association of Hong Kong -to purchase sports equipment	49,600	49,600	49,600	-
48 The Kowloon Women's Welfare Club -to purchase sports equipment	2,500	2,500	2,500	-
49 The Mental Health Association of Hong Kong -to purchase sports and recreational equipment	35,731	35,651	35,651	80 N
50 The Salvation Army -to purchase sports, camping and recreational equipment	36,665	21,355	35,924	741 N
51 Tolo Adventure Centre -to purchase sports equipment	11,975	10,700	10,700	1,275 N
52 Tung Wah Group of Hospitals -to purchase sports, camping and recreational equipment	31,965	5,488	31,267	698 N
53 Wildwater Water Sports Club -to purchase sports, camping and recreational equipment	58,320	54,360	54,360	3,960 N
54 Windsurfing Association of Hong Kong -to purchase sports equipment	73,854	73,854	73,854	-
Total, Non-Capital Works Projects approved in 2008-2009	11,500,387	7,466,104	9,541,323	1,959,064

(d) Projects approved in 2009-2010

1 Chinese Young Men's Christian Association of Hong Kong -to purchase sports and recreational equipment	64,215	-	-	64,215
2 Hong Chi Association -to purchase sports and recreational equipment	8,700	8,700	8,700	-
3 Hong Kong Federation of Youth Groups -to purchase sports and recreational equipment	75,117	65,804	65,804	8,721 592 N
4 Hong Kong Sheng Kung Hui Welfare Council -to purchase sports and recreational equipment	4,990	4,990	4,990	-
5 Annual Lump Sum Allocation for Non-Capital Works Projects for Home Affairs Department -to purchase sports and recreational equipment	449,117	335,752	335,752	99,402 13,963 N
6 Annual Lump Sum Allocation for Non-Capital Works Projects for Leisure and Cultural Services Department -to purchase sports and recreational equipment	799,986	513,249	513,249	281,529 5,208 N
7 Mutual Aid Committee, Owners Corporations and Other Residents' Organizations -to purchase sports and recreational equipment	460,797	429,233	429,233	31,564 N

STATEMENT OF APPROVED GRANTS - Continued

SCHEDULE 1

<i>Description</i>	<i>Approved Commitment</i>	Expenditure Less Refund during 2009/2010	<i>Total Expenditure up to 31.3.2010</i>	<i>Unspent Balance (N=Not required)</i>
	\$	\$	\$	\$
8 Sai Kung District Community Centre -to purchase sports and recreational equipment	21,544	21,544	21,544	-
9 The Association of Evangelical Free Churches of Hong Kong -to purchase sports and recreational equipment	6,095	6,095	6,095	-
10 The Neighbourhood Advice-Action Council -to purchase sports and recreational equipment	2,423	2,423	2,423	-
11 The Spastics Association of Hong Kong -to purchase sports and recreational equipment	1,692	-	-	1,692
Total, Non-Capital Works Projects approved in 2009-2010	<u>1,894,676</u>	<u>1,387,790</u>	<u>1,387,790</u>	<u>506,886</u>
Total, Non-Capital Works Projects	<u>16,156,391</u>	<u>9,217,275</u>	<u>13,478,910</u>	<u>2,677,481</u>

II. CAPITAL WORKS PROJECTS

(a) Projects approved in 2006-2007

1 Improvement Works for Sports and Recreational Facilities - improvement and renovation of sports equipment	1,145,120	44,400	629,040	516,080 N
2 Hong Kong Red Cross - Shek Pik Camp - construction of toilet and bathroom	198,000	-	-	198,000 N
3 Stewards Limited - High Rock Christian Centre - construction of foot walker leisure garden	51,760	35,157	35,157	16,603 N
4 The Hong Kong Award for Young People - Water Sports Centre - construction of tent building site and BBQ site	174,300	-	-	174,300
Total, Capital Works Projects approved in 2006-2007	<u>1,569,180</u>	<u>79,557</u>	<u>664,197</u>	<u>904,983</u>

(b) Projects approved in 2007-2008

1 Chun Tok School - construction of a climbing wall	46,240	45,000	45,000	1,240 N
2 Chinese YMCA of Hong Kong - construction of an outdoor climbing wall at NT Centre	95,200	88,000	88,000	7,200 N
3 Management Company of Olympic House Limited - setting up storage closets	200,000	200,000	200,000	-
4 Po Leung Kok - Jockey Club Tai Tong Holiday Camp - installation of floodlight system for stadium	119,238	5,420	108,398	10,840 N
5 The Salvation Army - Ma Wan Youth Camp - construction of a challenge course	160,000	160,000	160,000	-
Total, Capital Works Projects approved in 2007-2008	<u>620,678</u>	<u>498,420</u>	<u>601,398</u>	<u>19,280</u>

(c) Projects approved in 2008-2009

1 Christian & Missionary Alliance Church Union of Hong Kong - Suen Douh Camp - construction of a basketball court	409,776	-	-	409,776
2 Hong Kong, China Rowing Association - Sha Tin Rowing Centre - provision of a regatta finish facility	398,730	-	-	398,730
3 Hong Kong-Macao Conference of Seventh Day Adventists - Shan King Integrated Children and Youth Services Centre of Seventh-Day Adventists - construction of an indoor climbing wall	56,800	56,800	56,800	-

STATEMENT OF APPROVED GRANTS - Continued

SCHEDULE 1

<i>Description</i>	<i>Approved Commitment</i> \$	Expenditure Less Refund during 2009/2010 \$	<i>Total Expenditure up to 31.3.2010</i> \$	<i>Unspent Balance (N=Not required)</i> \$
4 Hong Kong Tennis Association - HKTA Tennis Centre - provision of a tennis centre	500,000	500,000	500,000	-
5 Po Leung Kuk - Pak Tam Chung Holiday Camp - construction of an outdoor high wall & abseiling-challenging complex	245,160	241,160	241,160	4,000 N
6 The Hong Kong Federation of Youth Groups - Lung Hang Youth S.P.O.T. - conversion of the conference room into a dancing room	57,440	34,520	34,520	22,920 N
7 The Mother Superior of the Congregation of Our Lady of Charity of the Good Shepherd of Angers at HK - Marycove Centre - provision of a recreational zone	304,000	-	-	304,000
Total, Capital Works Projects approved in 2008-2009	<u>1,971,906</u>	<u>832,480</u>	<u>832,480</u>	<u>1,139,426</u>
(d) Projects approved in 2009-2010				
1 South China Athletic Association - Setting up an indoor shooting range with international standard	500,000	-	-	500,000
2 Hong Kong Youth Hostels Association - Pak Sha O Youth Hostel (Sai Kung) - Installation of recreational facilities	70,400	-	-	70,400
3 Baptist Convention of Hong Kong - Hong Kong Baptist Assembly - Construction of a challenge tower and rope course	424,000	-	-	424,000
4 Wong Tai Sin District Arts Council - Conversion of an activity room to a dancing room	214,285	-	-	214,285
5 Chun Tok School - provision of fixed fitness equipment	61,870	-	-	61,870
Total, Capital Works Projects approved in 2009-2010	<u>1,270,555</u>	<u>-</u>	<u>-</u>	<u>1,270,555</u>
Total, Capital Works Projects	<u>5,432,319</u>	<u>1,410,457</u>	<u>2,098,075</u>	<u>3,334,244</u>
III. SPECIAL PROJECTS				
(a) Projects approved in 2009-2010	19,559,555	1,683,330	1,683,330	17,765,180
Total, Special Projects approved in 2009-2010	<u>19,559,555</u>	<u>1,683,330</u>	<u>1,683,330</u>	<u>17,876,225</u>
IV. COMMUNITY, CULTURE & SPORT INITIATIVES PROPOSED BY SECRETARY FOR HOME AFFAIRS /PERMANENT SECRETARY FOR HOME AFFAIRS				
(a) Projects approved in 2006-2007				
1 Chinese YMCA of Hong Kong - Wu Kwai Sha Youth Village Improvement Project	30,000,000	4,500,000	30,000,000	-
Total, Projects approved in 2006-2007	<u>30,000,000</u>	<u>4,500,000</u>	<u>30,000,000</u>	<u>-</u>
Total, MAIN FUND	<u>71,148,265</u>	<u>16,811,062</u>	<u>47,260,315</u>	<u>23,887,950</u>
			Outstanding commitment	22,275,895
			Balance not required (N)	<u>1,612,055</u>
			Total unspent balance	<u><u>23,887,950</u></u>
SPORTS AID FOR THE DISABLED FUND				
(a) Projects approved in 2006-2007				
1 Sports Aid for the Disabled Fund Grants -training and competition expenses for athletes	1,165,000	-	200,000	965,000
Total, Projects approved in 2006-2007	<u>1,165,000</u>	<u>-</u>	<u>200,000</u>	<u>965,000</u>

STATEMENT OF APPROVED GRANTS - Continued

SCHEDULE 1

<i>Description</i>	<i>Approved Commitment</i> \$	Expenditure Less Refund during 2009/2010 \$	<i>Total Expenditure up to 31.3.2010</i> \$	<i>Unspent Balance (N=Not required)</i> \$
Total, SPORTS AID FOR THE DISABLED FUND	<u>1,165,000</u>	<u>-</u>	<u>200,000</u>	<u>965,000</u>
				Outstanding commitment 965,000
				Balance not required (N) -
				Total unspent balance <u>965,000</u>
SPORTS AID FOUNDATION FUND				
(a) Projects approved in 2006-2007				
1 Sports Aid Foundation Fund Grants -training and competition expenses for athletes	9,300,000	-	1,200,000	8,100,000
Total, Projects approved in 2006-2007	<u>9,300,000</u>	<u>-</u>	<u>1,200,000</u>	<u>8,100,000</u>
Total, SPORTS AID FOUNDATION FUND	<u>9,300,000</u>	<u>-</u>	<u>1,200,000</u>	<u>8,100,000</u>
				Outstanding commitment 8,100,000
				Balance not required (N) -
				Total unspent balance <u>8,100,000</u>
ARTS DEVELOPMENT FUND				
(a) Projects approved in 2007-2008				
1 Arts Development Fund Grants -subsidy for cultural exchange projects	6,301,405	-	5,180,156	77,000 1,044,249 N
Total, Projects approved in 2007-2008	<u>6,301,405</u>	<u>-</u>	<u>5,180,156</u>	<u>1,121,249</u>
(b) Projects approved in 2008-2009				
1 Arts Development Fund Grants -subsidy for cultural exchange projects	2,685,665	244,870	2,155,787	178,228 351,650 N
Total, Projects approved in 2008-2009	<u>2,685,665</u>	<u>244,870</u>	<u>2,155,787</u>	<u>529,878</u>
(c) Projects approved in 2009-2010				
1 Arts Development Fund Grants -subsidy for cultural exchange projects	2,064,622	1,135,657	1,135,657	386,985 541,980 N
Total, Projects approved in 2009-2010	<u>2,064,622</u>	<u>1,135,657</u>	<u>1,135,657</u>	<u>928,965</u>
Total, ARTS DEVELOPMENT FUND	<u>11,051,692</u>	<u>1,380,527</u>	<u>8,471,600</u>	<u>2,580,092</u>
				Outstanding commitment 642,213
				Balance not required (N) 1,937,879
				Total unspent balance <u>2,580,092</u>
HONG KONG ATHLETES FUND				
(a) Projects approved in 2002-2003				
1 Hong Kong Athletes Fund Grants -tuition fees for athletes	613,950	-	317,080	296,870 N
Total, Projects approved in 2002-2003	<u>613,950</u>	<u>-</u>	<u>317,080</u>	<u>296,870</u>
(b) Projects approved in 2004-2005				
1 Hong Kong Athletes Fund Grants -tuition fees for athletes	760,000	20,000	563,150	196,850 N
Total, Projects approved in 2004-2005	<u>760,000</u>	<u>20,000</u>	<u>563,150</u>	<u>196,850</u>

STATEMENT OF APPROVED GRANTS - Continued

SCHEDULE 1

<i>Description</i>	<i>Approved Commitment</i> \$	Expenditure Less Refund during 2009/2010 \$	<i>Total Expenditure up to 31.3.2010</i> \$	<i>Unspent Balance (N=Not required)</i> \$
(c) Projects approved in 2005-2006				
1 Hong Kong Athletes Fund Grants -tuition fees for athletes	1,441,500	18,000	1,077,175	4,325 360,000 N
Total, Projects approved in 2005-2006	<u>1,441,500</u>	<u>18,000</u>	<u>1,077,175</u>	<u>364,325</u>
(d) Projects approved in 2006-2007				
1 Hong Kong Athletes Fund Grants -tuition fees for athletes	480,000	40,000	340,000	20,000 120,000 N
Total, Projects approved in 2006-2007	<u>480,000</u>	<u>40,000</u>	<u>340,000</u>	<u>140,000</u>
(e) Projects approved in 2007-2008				
1 Hong Kong Athletes Fund Grants -tuition fees for athletes	437,900	78,650	270,749	127,151 40,000 N
Total, Projects approved in 2007-2008	<u>437,900</u>	<u>78,650</u>	<u>270,749</u>	<u>167,151</u>
(f) Projects approved in 2008-2009				
1 Hong Kong Athletes Fund Grants -tuition fees for athletes	1,162,000	391,900	676,280	485,720
Total, Projects approved in 2008-2009	<u>1,162,000</u>	<u>391,900</u>	<u>676,280</u>	<u>485,720</u>
(g) Projects approved in 2009-2010				
1 Hong Kong Athletes Fund Grants -tuition fees for athletes	1,289,390	632,020	632,020	657,370
Total, Projects approved in 2009-2010	<u>1,289,390</u>	<u>632,020</u>	<u>632,020</u>	<u>657,370</u>
Total, HONG KONG ATHLETES FUND	<u>6,184,740</u>	<u>1,180,570</u>	<u>3,876,454</u>	<u>2,308,286</u>
			Outstanding commitment	1,294,566
			Balance not required (N)	<u>1,013,720</u>
			Total unspent balance	<u>2,308,286</u>

ARTS AND SPORT DEVELOPMENT FUND

(a) Projects approved in 2000-2001				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement its five year strategic plan and for other projects which are not included in the plan but will make a significant contribution to the further development of arts in the community.	30,437,260	-	26,546,365	3,890,895 N
Total, Projects approved in 2000-2001	<u>30,437,260</u>	<u>-</u>	<u>26,546,365</u>	<u>3,890,895</u>
(b) Projects approved in 2001-2002				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement its three year strategic plan and for other projects which are not included in the plan but will make a significant contribution to the further development of arts in the community.	27,826,900	-	20,180,467	7,646,433 N
Total, Projects approved in 2001-2002	<u>27,826,900</u>	<u>-</u>	<u>20,180,467</u>	<u>7,646,433</u>
(c) Projects approved in 2002-2003				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement its three year strategic plan and for other projects which are not included in the plan but will make a significant contribution to the further development of arts in the community.	6,760,000	-	5,391,537	1,368,463
Total, Projects approved in 2002-2003	<u>6,760,000</u>	<u>-</u>	<u>5,391,537</u>	<u>1,368,463</u>
(d) Projects approved in 2003-2004				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement its three year strategic plan and for other projects which are not included in the plan but will make a significant contribution to the further development of arts in the community.	14,536,000	-	12,128,131	2,407,869
Total, Projects approved in 2003-2004	<u>14,536,000</u>	<u>-</u>	<u>12,128,131</u>	<u>2,407,869</u>

STATEMENT OF APPROVED GRANTS - Continued

SCHEDULE 1

<i>Description</i>	<i>Approved Commitment</i> \$	Expenditure Less Refund during 2009/2010 \$	<i>Total Expenditure up to 31.3.2010</i> \$	<i>Unspent Balance (N=Not required)</i> \$
(e) Projects approved in 2004-2005				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement its three year strategic plan and for other projects which are not included in the plan but will make a significant contribution to the further development of arts in the community.	24,108,000	-1,393	14,917,632	9,190,368
Total, Projects approved in 2004-2005	<u>24,108,000</u>	<u>-1,393</u>	<u>14,917,632</u>	<u>9,190,368</u>
(f) Projects approved in 2005-2006				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement its three year strategic plan and for other projects which are not included in the plan but will make a significant contribution to the further development of arts in the community.	16,205,050	2,180,000	13,698,724	2,506,326
2 Various Sports Organisations -to support sport projects which will make a significant contribution to the further development of sport in the community	24,082,359	-117,890	19,016,830	5,065,529 N
Total, Projects approved in 2005-2006	<u>40,287,409</u>	<u>2,062,110</u>	<u>32,715,554</u>	<u>7,571,855</u>
(g) Projects approved in 2006-2007				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement projects initiated by Hong Kong Arts Development Council and other projects which will make significant contribution to the further development of the arts in the community.	13,121,263	1,859,391	12,619,942	501,321
2 Various Sports Organisations -to support sport projects which will make a significant contribution to the further development of sport in the community	34,009,165	-1,759,475	25,367,936	8,641,229
Total, Projects approved in 2006-2007	<u>47,130,428</u>	<u>99,916</u>	<u>37,987,878</u>	<u>9,142,550</u>
(h) Projects approved in 2007-2008				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement projects initiated by Hong Kong Arts Development Council and other projects which will make significant contribution to the further development of the arts in the community.	19,552,500	-	14,306,741	5,245,759
2 Various Sports Organisations -to support sport projects which will make a significant contribution to the further development of sport in the community	28,269,305	-1,880,093	21,432,906	6,836,399
Total, Projects approved in 2007-2008	<u>47,821,805</u>	<u>-1,880,093</u>	<u>35,739,647</u>	<u>12,082,158</u>
(i) Projects approved in 2008-2009				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement projects initiated by Hong Kong Arts Development Council and other projects which will make significant contribution to the further development of the arts in the community.	20,785,000	1,190,000	13,602,500	7,182,500
2 Various Sports Organisations -to support sport projects which will make a significant contribution to the further development of sport in the community	34,094,292	1,665,269	31,239,979	2,854,313
Total, Projects approved in 2008-2009	<u>54,879,292</u>	<u>2,855,269</u>	<u>44,842,479</u>	<u>10,036,813</u>

STATEMENT OF APPROVED GRANTS - Continued

SCHEDULE 1

<i>Description</i>	<i>Approved Commitment</i> \$	Expenditure Less Refund during 2009/2010 \$	<i>Total Expenditure up to 31.3.2010</i> \$	<i>Unspent Balance (N=Not required)</i> \$
(j) Projects approved in 2009-2010				
1 Hong Kong Arts Development Council -to provide financial support for Hong Kong Arts Development Council to implement projects initiated by Hong Kong Arts Development Council and other projects which will make significant contribution to the further development of the arts in the community.	27,149,700	15,589,200	15,589,200	11,560,500
2 Various Sports Organisations -to support sport projects which will make a significant contribution to the further development of sport in the community	46,976,030	39,601,235	39,601,235	7,374,795
Total, Projects approved in 2009-2010	<u>74,125,730</u>	<u>55,190,435</u>	<u>55,190,435</u>	<u>18,935,295</u>
Total, ARTS AND SPORT DEVELOPMENT FUND	<u>367,912,824</u>	<u>58,326,244</u>	<u>285,640,125</u>	<u>82,272,699</u>
			Outstanding commitment	65,669,842
			Balance not required (N)	<u>16,602,857</u>
			Total unspent balance	<u><u>82,272,699</u></u>
GRAND TOTAL	<u>466,762,521</u>	<u>77,698,403</u>	<u>346,648,494</u>	<u>120,114,027</u>
			Outstanding commitment	98,947,516
			Balance not required (N)	<u>21,166,511</u>
			Total unspent balance	<u><u>120,114,027</u></u>

SCHEDULE 2

SUMMARY OF APPROVED GRANTS AND OUTSTANDING COMMITMENTS AS AT 31 MARCH 2010

Fund	Grants approved		Outstanding commitments
	From 1.4.2009 to 31.3.2010	Cumulative to date	
	\$'000	\$'000	\$'000
MAIN FUND	22,725	207,277	22,276
SPORTS AID FOR THE DISABLED FUND	-	15,202	965
SPORTS AID FOUNDATION FUND	-	111,524	8,100
ARTS DEVELOPMENT FUND	2,065	45,827	642
HONG KONG ATHLETES FUND	1,289	10,382	1,295
ARTS AND SPORT DEVELOPMENT FUND	74,126	604,045	65,670
	100,205	994,257	98,948

SCHEDULE 3

STATEMENT OF INVESTMENTS AS AT 31 MARCH 2010

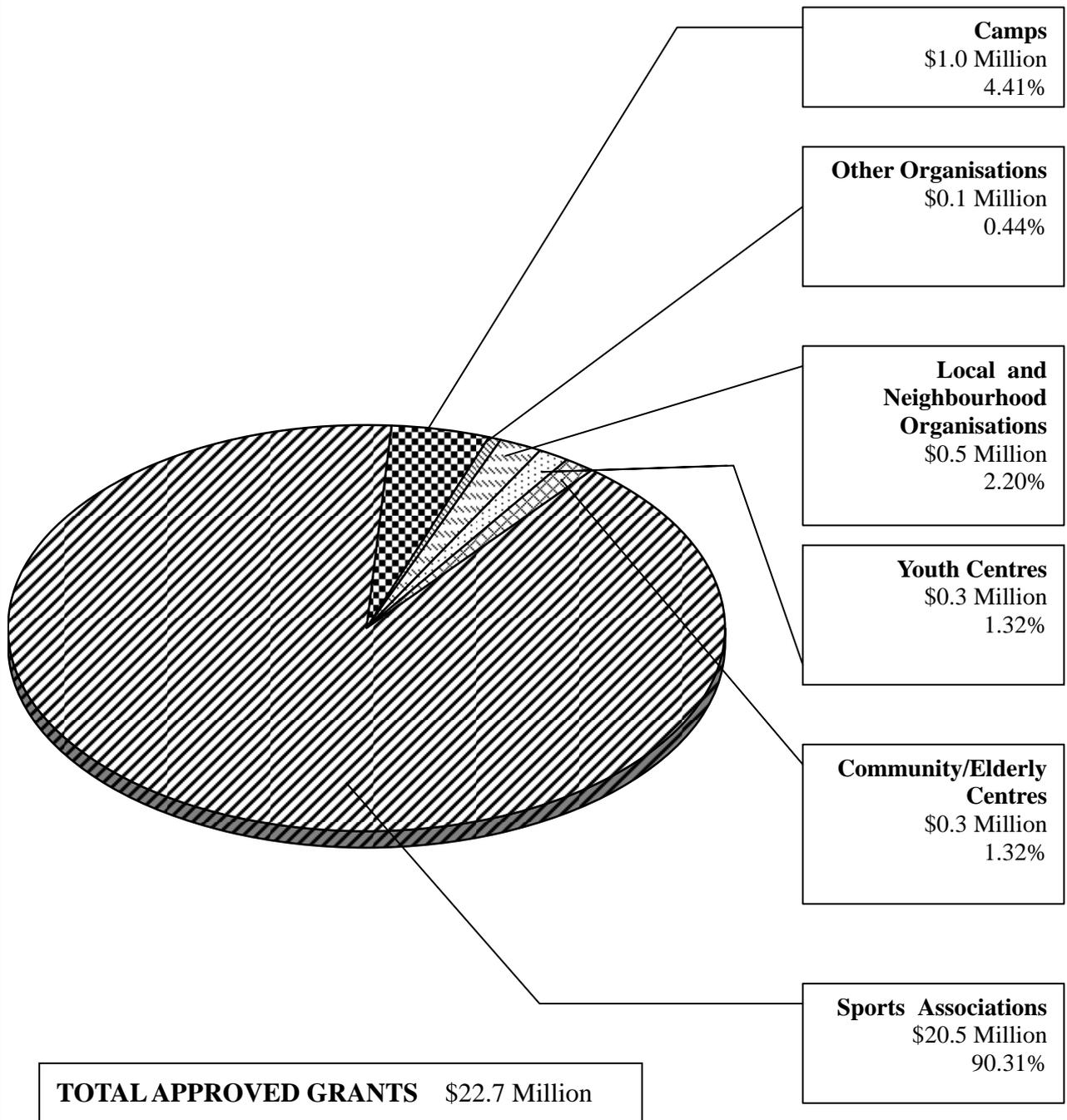
<i>Securities</i>	<i>Holding (Nominal Value/ Unit)</i>	<i>Market Price</i>	<i>Market Value \$</i>
MAIN FUND			
1. Hong Kong Listed Equity Securities:			
Tracker Fund of Hong Kong	2,517,500 units	\$21.45	54,000,375.00
2. Overseas Equity Securities:			
MSCI World Index Non-Lending Qualified Purchasers Common Trust Fund	205,167.170	\$209.26	42,932,996.34
3. Overseas Debt Securities:			
Calyon 2.7% due 19.8.2011	USD 3,000,000	102.37%	23,847,048.50
HSBC Finance Corp 4.625% due 15.9.2010	USD 1,000,000	101.58%	7,887,672.78
			31,734,721.28
Total, MAIN FUND			128,668,092.62
 SPORTS AID FOR THE DISABLED FUND			
1. Overseas Debt Securities:			
Standard Chartered PLC 5.5% due 18.11.2014	USD 100,000	107.44%	834,270.10
			834,270.10
Total, SPORTS AID FOR THE DISABLED FUND			834,270.10
 SPORTS AID FOUNDATION FUND			
1. Hong Kong Listed Equity Securities:			
Tracker Fund of Hong Kong	620,500 units	\$21.45	13,309,725.00
2. Overseas Debt Securities:			
Calyon 2.7% due 19.8.2011	USD 2,330,000	102.37%	18,521,207.67
Standard Chartered PLC 5.5% due 18.11.2014	USD 1,600,000	107.44%	13,348,321.53
			31,869,529.20
Total, SPORTS AID FOUNDATION FUND			45,179,254.20

STATEMENT OF INVESTMENTS AS AT 31 MARCH 2010 - Continued

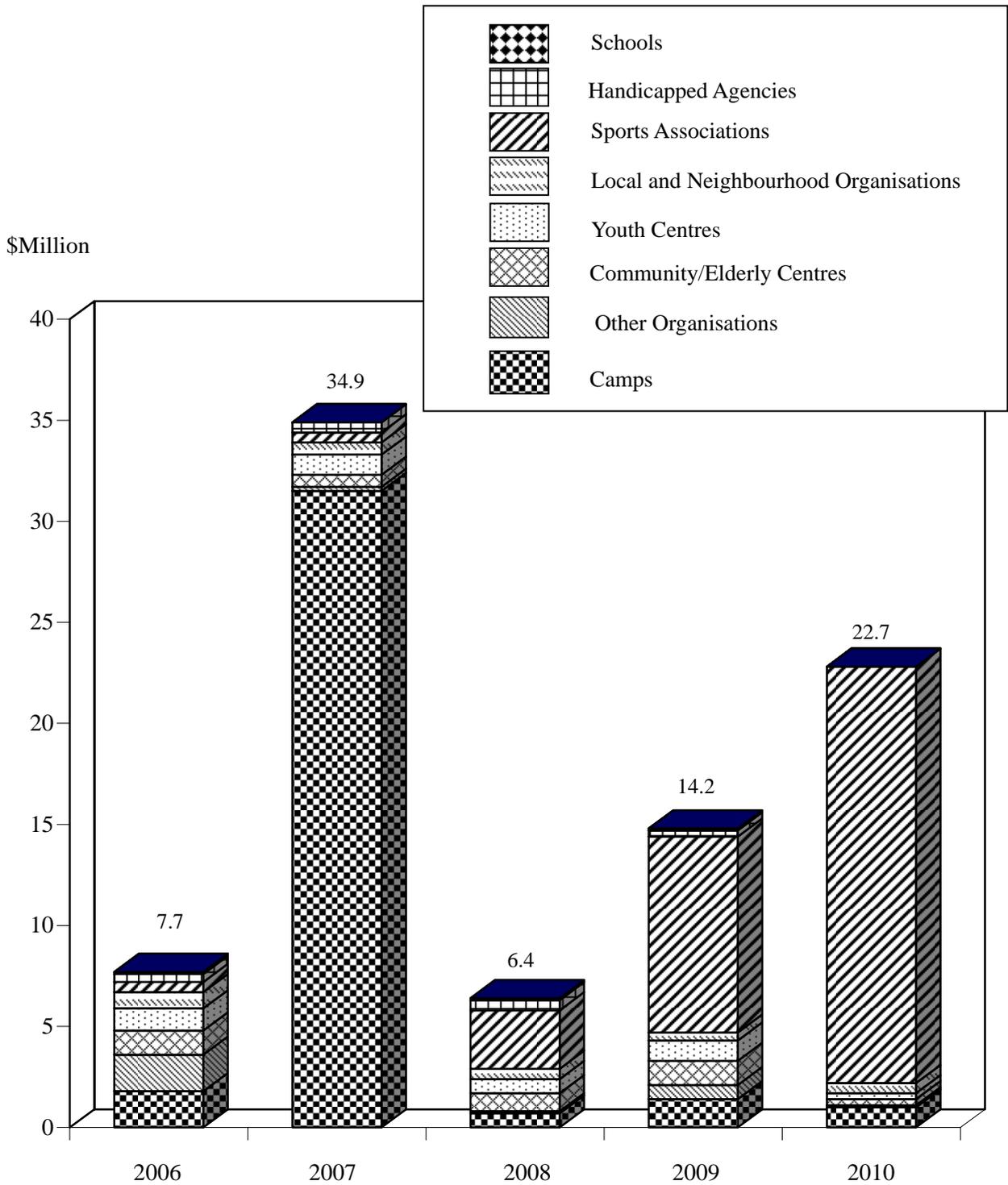
SCHEDULE 3

<i>Securities</i>	<i>Holding (Nominal Value/ Unit)</i>	<i>Market Price</i>	<i>Market Value \$</i>
ARTS DEVELOPMENT FUND			
1. Overseas Debt Securities:			
Calyon 2.7% due 19.8.2011	USD 650,000	102.37%	5,166,860.51
Total, ARTS DEVELOPMENT FUND			<u>5,166,860.51</u>
HONG KONG ATHLETES FUND			
1. Hong Kong Listed Equity Securities:			
Tracker Fund of Hong Kong	215,000 units	\$21.45	4,611,750.00
2. Overseas Equity Securities:			
MSCI World Index Non-Lending Qualified Purchasers Common Trust Fund	17,728.539	\$209.26	3,709,849.39
3. Overseas Debt Securities:			
Calyon 2.7% due 19.8.2011	USD 390,000	102.37%	3,100,116.31
Standard Chartered PLC 5.5% due 18.11.2014	USD 800,000	107.44%	6,674,160.77
			9,774,277.08
Total, HONG KONG ATHLETES FUND			<u>18,095,876.47</u>
ARTS AND SPORT DEVELOPMENT FUND			
1. Overseas Debt Securities:			
Calyon 2.7% due 19.8.2011	USD 5,000,000	102.37%	39,745,080.84
Total, ARTS AND SPORT DEVELOPMENT FUND			<u>39,745,080.84</u>

**MAIN FUND
APPROVED GRANTS BY TYPES OF ORGANISATION
FOR THE YEAR ENDED 31 MARCH 2010**

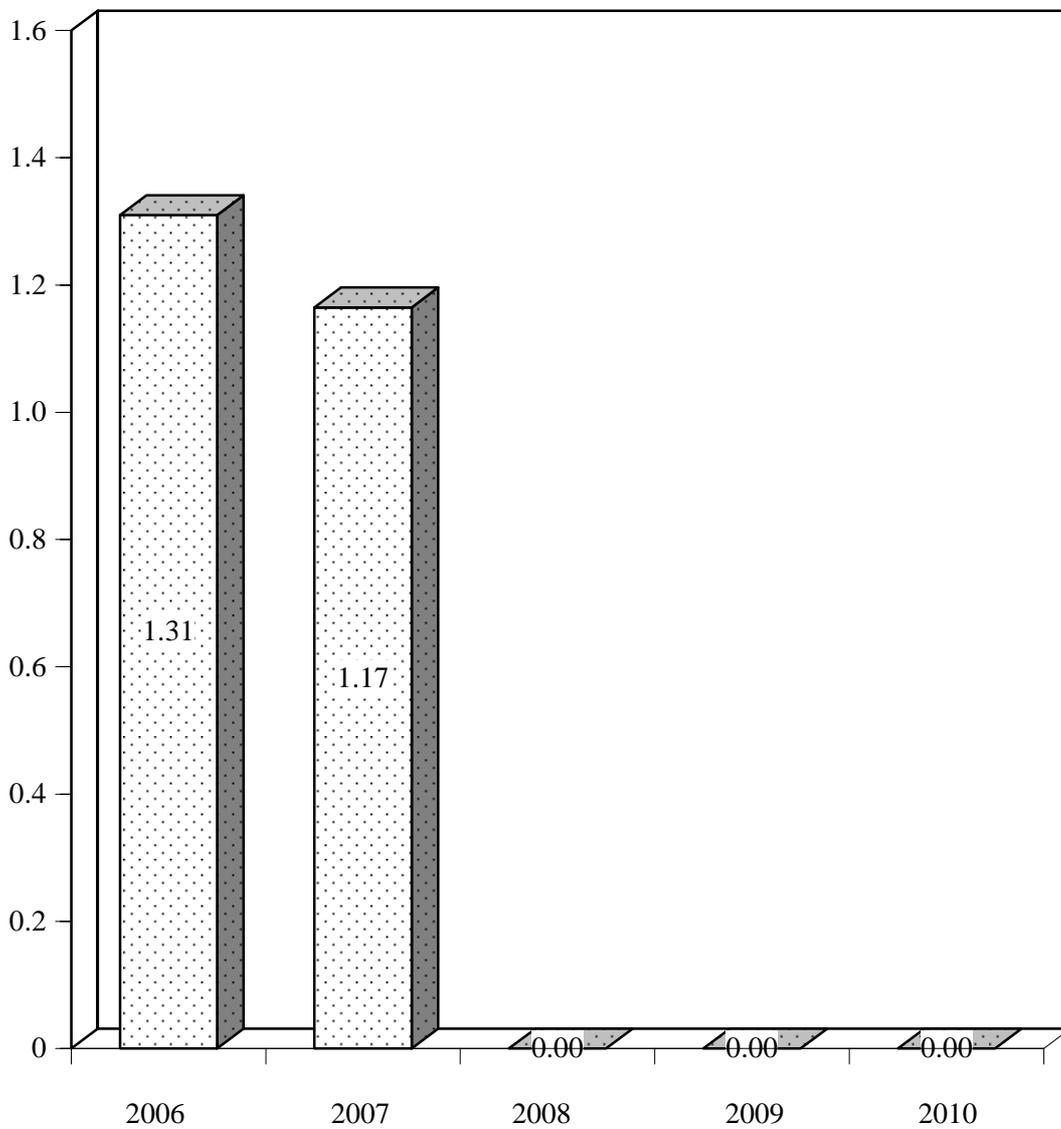


**MAIN FUND
APPROVED GRANTS FOR THE YEARS ENDED 31 MARCH 2006 TO 2010**



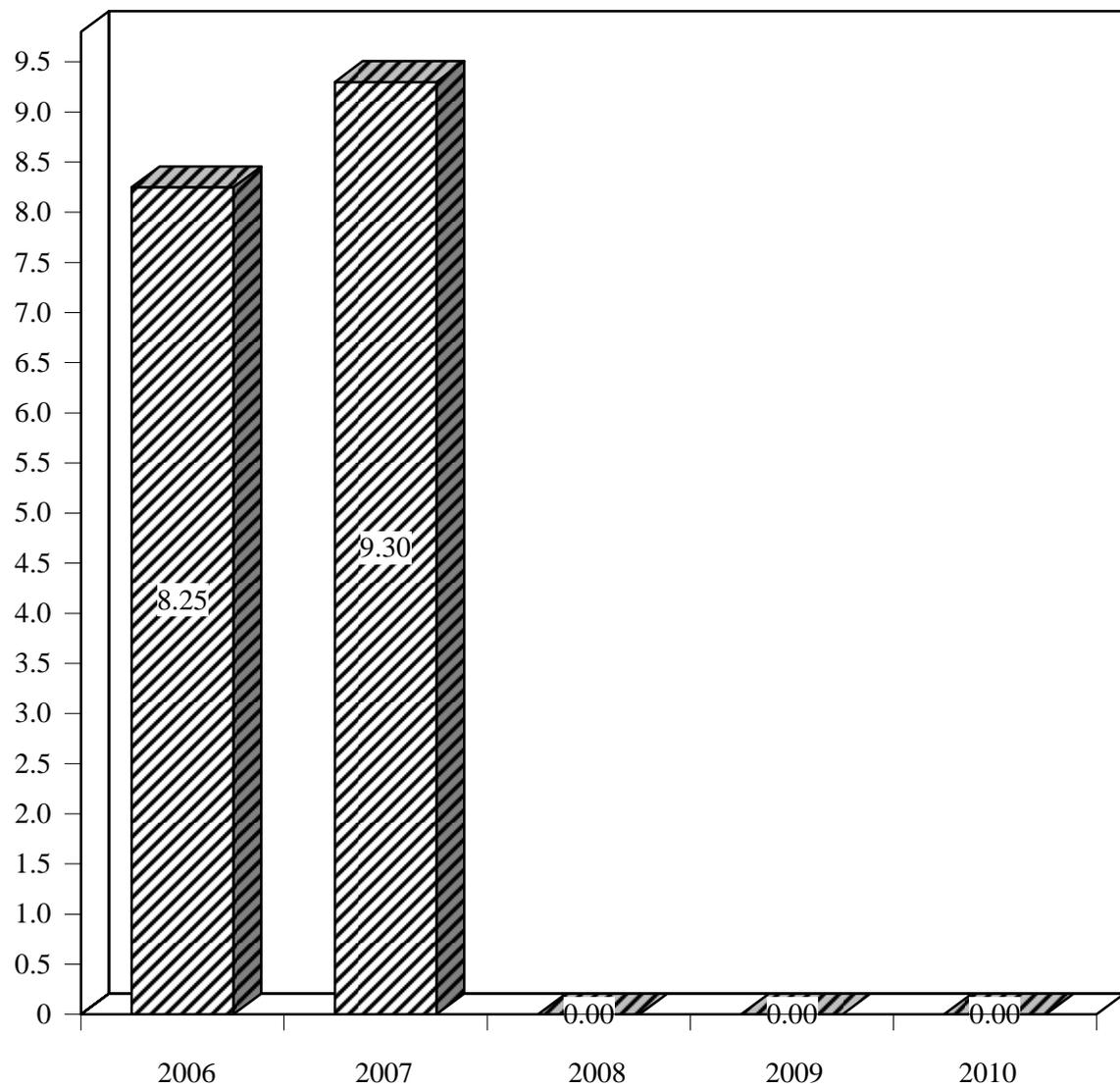
**SPORTS AID FOR THE DISABLED FUND
APPROVED GRANTS FOR THE YEARS ENDED 31 MARCH 2006 TO 2010**

\$Million



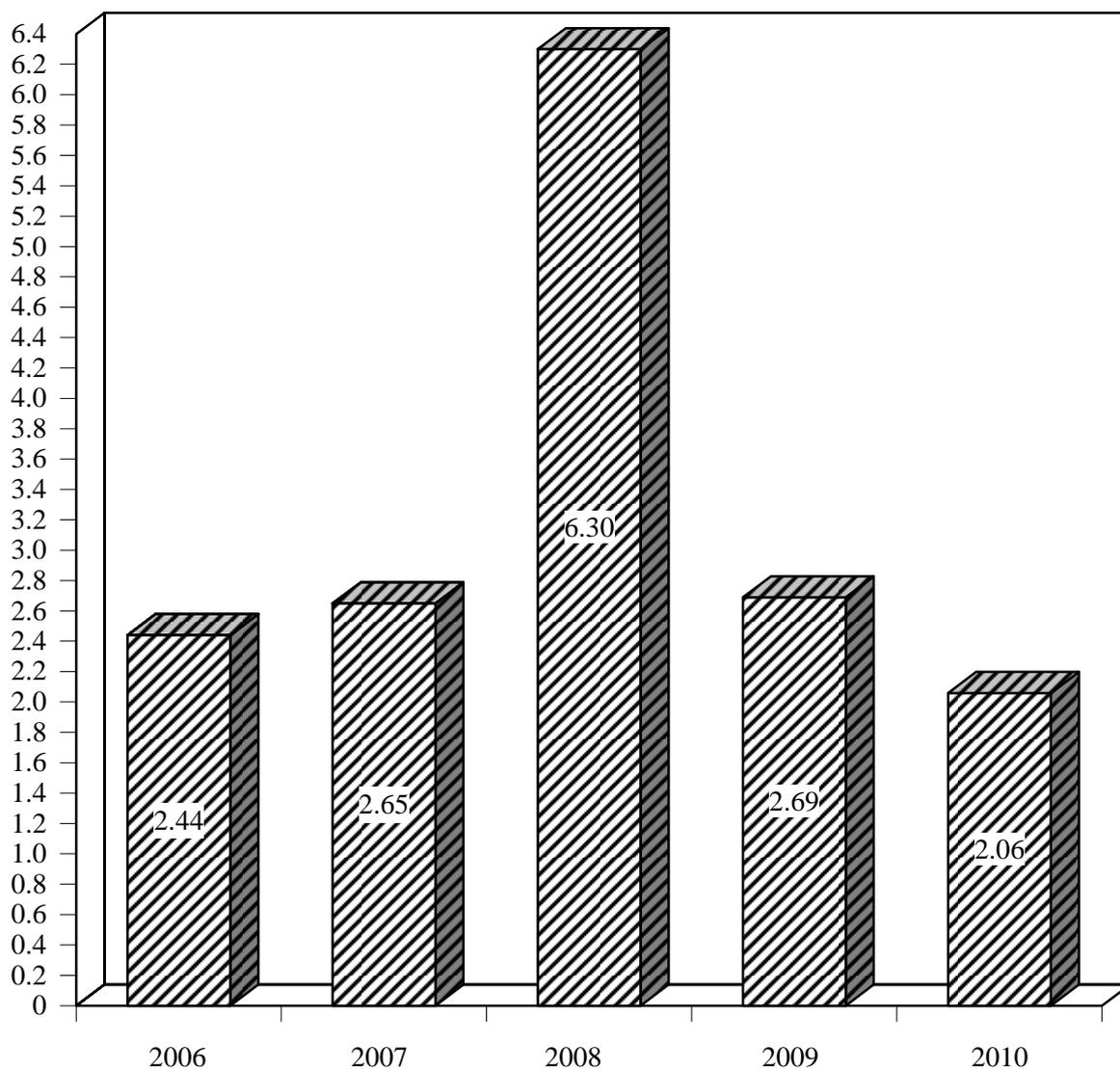
**SPORTS AID FOUNDATION FUND
APPROVED GRANTS FOR THE YEARS ENDED 31 MARCH 2006 TO 2010**

\$Million

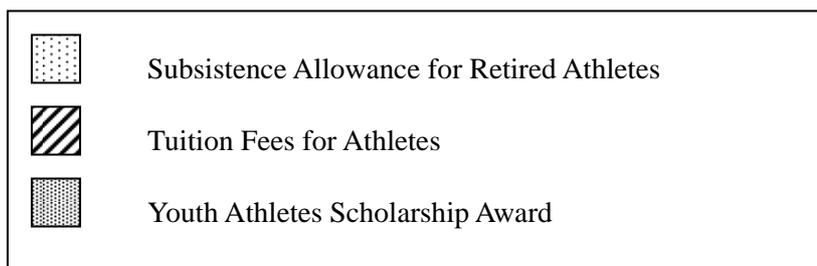


**ARTS DEVELOPMENT FUND
APPROVED GRANTS FOR THE YEARS ENDED 31 MARCH 2006 TO 2010**

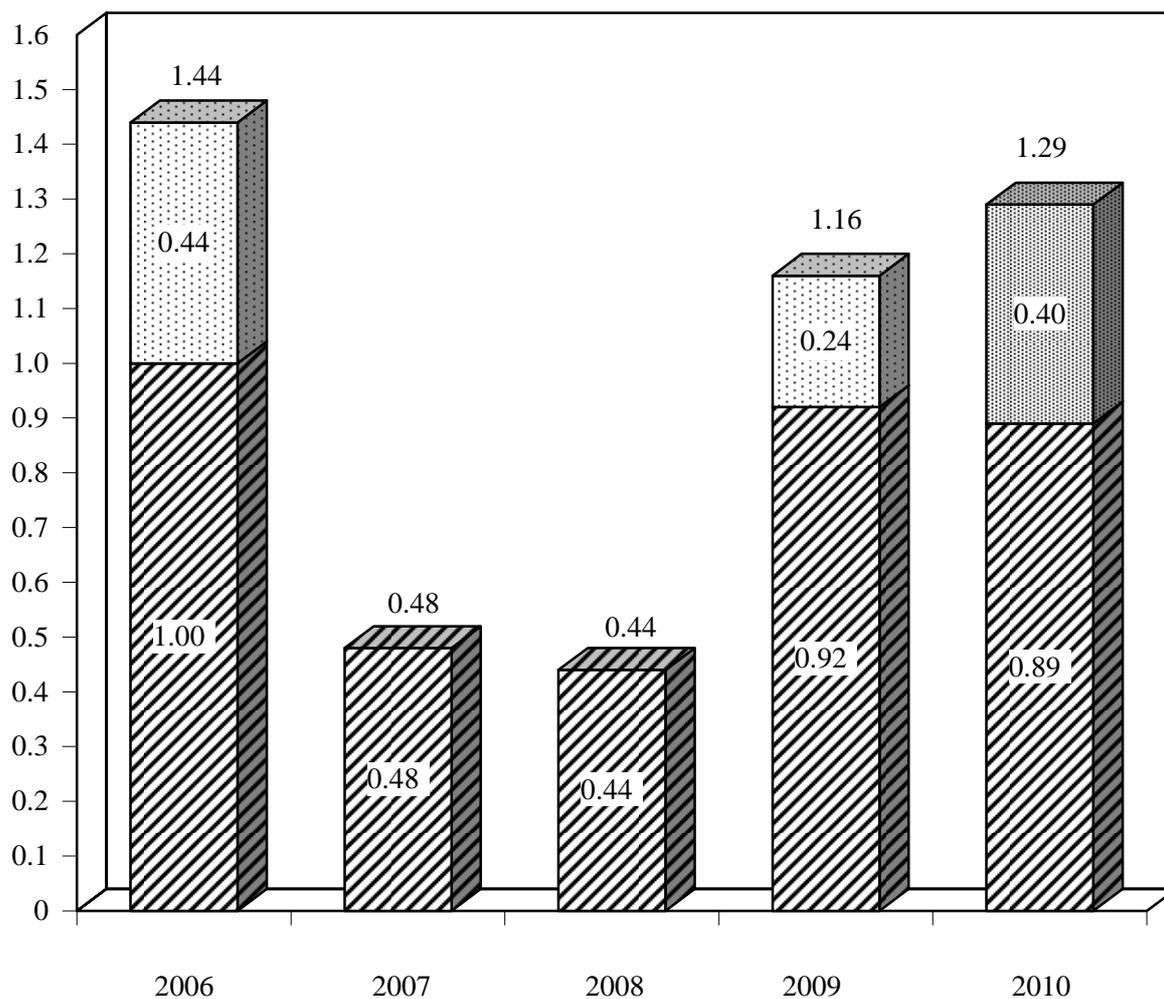
\$Million



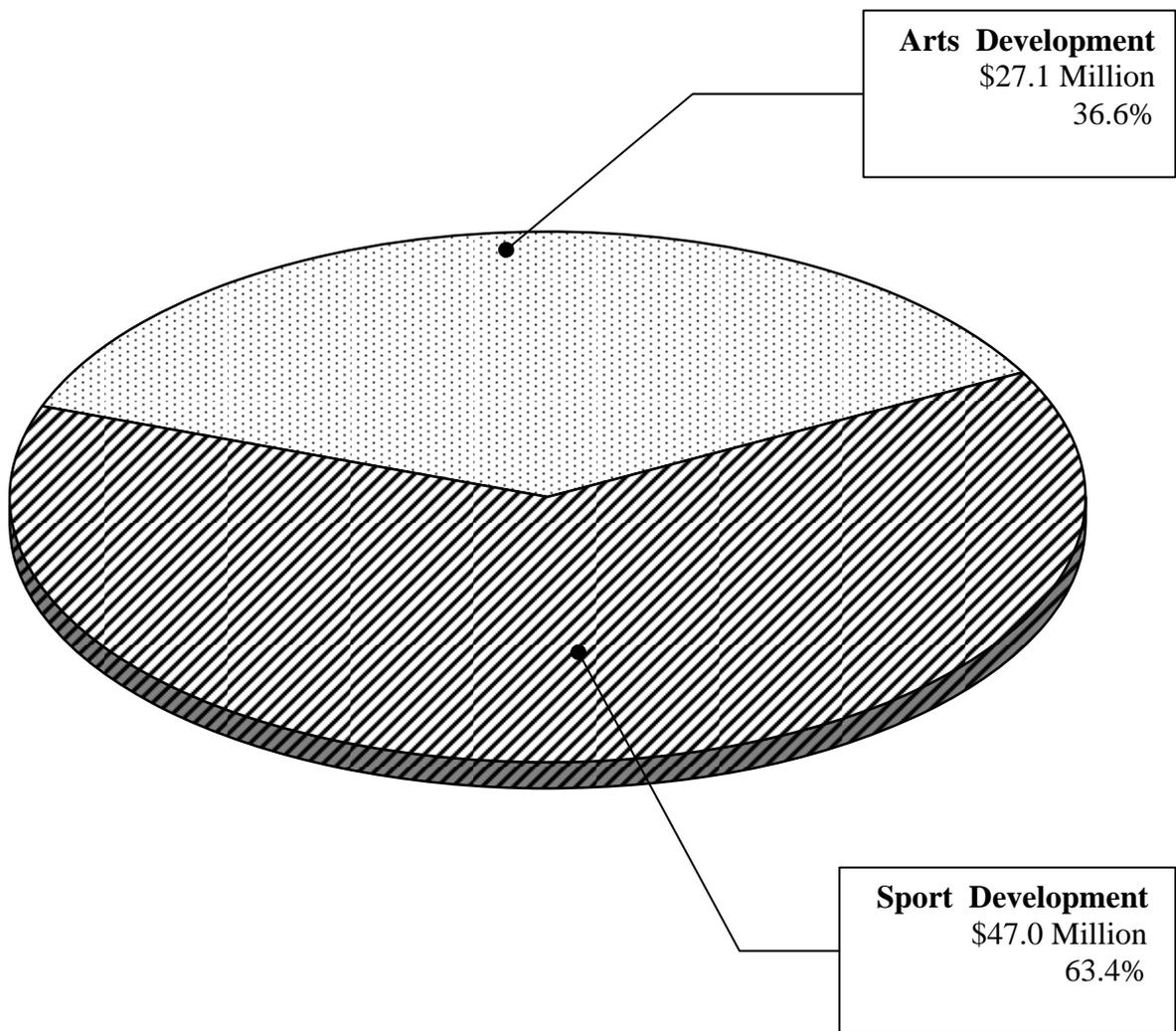
**HONG KONG ATHLETES FUND
APPROVED GRANTS FOR THE YEARS ENDED 31 MARCH 2006 TO 2010**



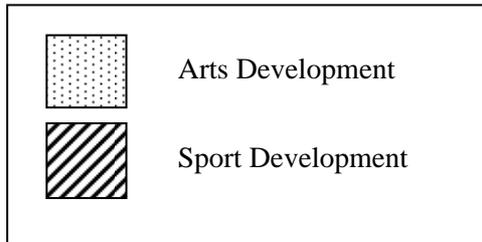
\$Million



**ARTS AND SPORT DEVELOPMENT FUND
APPROVED GRANTS BY TYPES OF ACTIVITY
FOR THE YEAR ENDED 31 MARCH 2010**



**ARTS AND SPORT DEVELOPMENT FUND
APPROVED GRANTS FOR THE YEARS ENDED 31 MARCH 2006 TO 2010**



\$Million

