

Environment and Conservation Fund

Trustee Report 2008-2009

For Presentation to the Legislative Council

on 21 October 2009

CONTENTS

| | |
|---|-------|
| Report by the Trustee Covering the Period 1 April 2008 to 31 March 2009 | 2-6 |
| Membership List of the Environment and Conservation Fund Committee | 7 |
| Membership List of the Energy Conservation Projects Vetting Sub-committee | 8 |
| Membership List of the Research Projects Vetting Sub-committee..... | 9 |
| Membership List of the Waste Recovery Projects Vetting Sub-committee | 10 |
| Membership List of the Environmental Campaign Committee..... | 11 |
| Membership List of the Investment Committee..... | 12 |
| List of Approved Projects..... | 13-30 |
| Report of the Director of Audit | 31-32 |
| Balance Sheet | 33 |
| Income and Expenditure Account | 34 |
| Statement of Changes in Equity | 35 |
| Cash Flow Statement | 36 |
| Notes to the Financial Statements | 37-39 |

Report by the Trustee on the Administration of the Environment and Conservation Fund

This report covers the financial year ending 31 March 2009.

Environment and Conservation Fund (ECF)

2. In the 1993 Policy Address to the Legislative Council, the then Governor proposed to set up the ECF for funding education and research in relation to environmental and conservation matters.
3. The Environment and Conservation Fund Ordinance (the Ordinance), which established the ECF, was enacted in June 1994. An initial capital injection of \$50 million was then approved by the Finance Committee. The ECF came into operation in August 1994. In 1998, 2002 and 2006, the Finance Committee further approved \$50 million, \$100 million and \$35 million respectively.
4. In 2008, the Finance Committee has approved to inject \$1 billion to ECF. The capital injection could expand the scope of programmes in a bid to broaden partnership with different sectors in the community, to enhance community participation and to encourage cross boundary collaboration in environment and conservation matters.

Trustee

5. Section 5 of the Ordinance provides for the Secretary for the Environment to act as the trustee of the ECF.

ECF Committee and vetting of applications

6. The ECF Committee, established in accordance with section 7 of the Ordinance, is to advise the trustee on the use of the ECF for the purposes of funding educational, research and other projects and activities in relation to environmental and conservation matters. The Committee consists of a chairman, not more than eight non-official members appointed by the Chief Executive for a term of two years and four ex-officio members. The membership list is on page 7.
7. The Energy Conservation Projects Vetting Subcommittee has been established under the ECF Committee to consider the energy-cum-carbon audit projects and energy efficiency

projects. The ECF Committee has allocated \$450 million to implement Buildings Energy Efficiency Funding Schemes to promote building energy efficiency. The Sub-committee comprises ECF Committee members and other co-opted members. The membership list of the Energy Conservation Projects Vetting Sub-committee is on page 8.

8. The ECF Committee has established a Research Projects Vetting Sub-committee to consider research and technology demonstration projects. The Sub-committee comprises ECF Committee members and co-opted members. The membership list of the Research Projects Vetting Sub-committee is on page 9.

9. The ECF Committee has also established a Waste Recovery Projects Vetting Sub-committee to vet community waste recovery project proposals. The Sub-committee is also responsible for vetting applications for the Programme on Source Separation of Domestic Waste, with a maximum grant of \$250,000 per housing estate. The Sub-committee comprises members of the ECF Committee, members of the Environmental Campaign Committee (ECC), members of the Waste Management Subcommittee of the Advisory Council on the Environment (ACE) and co-opted members. The membership list of the Waste Recovery Projects Vetting Sub-committee is on page 10.

10. The ECF Committee has entrusted the vetting of educational projects (including minor works projects) to the ECC. The reason for this arrangement is that the ECF Committee considers that the ECC has developed the expertise for considering such projects. The membership list of the ECC is on page 11.

11. The Energy Conservation Projects Vetting Sub-committee, Research Projects Vetting Sub-committee, Waste Recovery Projects Vetting Sub-committee and ECC can approve grants up to \$2,000,000 for a project, which was increased from \$500,000 on 30 December 2008. For applications exceeding this limit, the recommendations of the Energy Conservation Projects Vetting Sub-committee, Research Projects Vetting Sub-committee, Waste Recovery Projects Vetting Sub-committee or ECC will have to be endorsed by the ECF Committee.

12. During the financial year 2008-2009, the ECF Committee vetted applications for the Public Education Programme under the “Policy Framework for the Management of Municipal Solid Waste (2005-2014)”. All applications received were first examined by Environmental Protection Department (EPD), in consultation with other relevant government departments and the ACE and its Waste Management Subcommittee. The recommendations were then submitted to the ECF Committee for endorsement.

13. The EPD provides secretariat service to the ECF Committee, Energy Conservation Projects Vetting Sub-committee, Research Projects Vetting Sub-committee, Waste Recovery Projects Vetting Sub-committee and the ECC.

14. Applications can be submitted any time using the prescribed application forms, which are available in EPD. The Vetting Sub-committees and the ECC usually meet quarterly to vet applications. The ECF Committee normally meets quarterly to consider the recommendations of the Sub-committees and ECC.

15. An Investment Committee has been established on 1 July 2008 to set policies for investment and monitor the investment of the ECF. The membership list of the Investment Committee is on page 12.

Criteria for vetting applications

16. Applications from non-profit making organisations and community groups will be considered for funding support. Local incorporated companies may apply funding for technology demonstration projects. The following broad criteria are used in assessing the merits of individual applications:

- (1) Projects must contribute to the overall environment of Hong Kong, to raise environmental awareness of the local community, or mobilise the community to take action to improve the environment. For community waste recovery projects, they must contribute to promoting waste prevention and recovery in Hong Kong, raise awareness of the local community, or mobilise the community to take action in waste reduction, separation and recovery.
- (2) The benefits must accrue to the local community as a whole, and not just to individuals, a single private organisation or a consortium of private companies.
- (3) Projects must be non-profit making in nature. Income derived from a project should be used to further the project's aims.
- (4) In considering a project proposal, due consideration will be given to:-

- (a) the benefits that it will bring to Hong Kong's environment, ecology, flora and fauna etc., or the extent to which it will enhance the environmental awareness of local community. For community waste recovery projects, due consideration will be given to the benefits that it will bring to the efforts in promoting waste reduction, separation and recovery in local communities, or the extent to which it will enhance the awareness and mobilise the public to participate in waste separation and recovery;
- (b) whether there is a demonstrable need for the proposed project;
- (c) the technical and project management capability of the applicant, as well as the past performance of the applicant, including the effectiveness of past projects, and the applicant's ability to comply with the funding conditions;
- (d) whether the proposed project's schedule of implementation is well-planned and practicable, and the duration is reasonable;
- (e) whether the proposed budget is prudent, realistic and cost-effective, with full justification for every expenditure item;
- (f) whether the proposed project has alternative sources of funding support;
- (g) whether the proposed project should more appropriately be funded by other sources;
- (h) whether there is or likely to be a duplication of the work already or currently carried out by other groups; and
- (i) if recurrent expenditure is incurred, whether the proposed project has potential to become self-sufficient after a certain period of time.

17. Applicants may download application forms and other information such as a list of projects approved under ECF, from the ECF and ECC homepages on the internet.

Approved applications

18. From 1 April 2008 to 31 March 2009, a total of 295 applications for funding support were considered. Their vetting results are as follows:

| | |
|--|-----|
| (a) applications approved | 219 |
| (b) applications being processed | 15 |
| (c) applications rejected | 43 |
| (d) applications withdrawn by applicants | 18 |
| Total : | 295 |

19. The total amount of funds approved for the 219 applications were about \$83.78 million, in which two were jointly funded by the Woo Wheelock Green Fund with a grant of \$345,640.00.

20. A list of the approved projects is on pages 13 to 30.

Accounts

21. The auditor's report, the balance sheet, the income and expenditure account, the statement of changes in equity and the cash flow statement for the period between 1 April 2008 and 31 March 2009 are on pages 31 to 39.

(YAU Tang Wah, Edward)
Secretary for the Environment
Trustee of the Environment and Conservation Fund
2 October 2009

Environment and Conservation Fund Committee

Membership List

(1 April 2008 – 31 March 2009)

Professor LUNG Ping-ye, David, SBS, JP (Chairman)

Professor CHAN Chak-keung

Ms CHOY So-yuk, JP (up to 15 October 2008)

Professor CHU Lee-man

Mr. CHUA Hoi-wai (from 16 October 2008 onwards)

Ms LAU Wai-kuen, Goretti (up to 15 October 2008)

Mr. Joseph LEE, SBS, JP

Mr. LEUNG Wai-kuen, Edward, JP (from 16 October 2008 onwards)

Mr. MAN Mo-leung

Mrs CHAN NGAN Man-ling, Edith

Professor WONG Woon-chung, Jonathan

Secretary for the Environment, or his representative

Permanent Secretary for Education, or his representative

Director of Agriculture, Fisheries and Conservation, or his representative

Director of Environmental Protection, or his representative

Environment and Conservation Fund Committee
Energy Conservation Projects Vetting Subcommittee

Membership List

(16 October 2008 - 31 March 2009)

Mr. MAN Mo-leung (Chairman)

Prof. CHAN Chak-keung

Mr. CHUA Hoi-wai

Mr. Edward LEUNG, JP

Mr. CHU Pui-kwan, Reuben

Mr. CHEUNG Yan-hong

Mr. Alan CHOW

Ms. FONG Kwok-shan, Christine

Mr. LEE Tak-kong, Alfred

Mr. LEUNG Chun-yuen, Kendrew

Mr. WONG Kam-sing

Dr. YAU Wing-kwong

Representative of the Secretary for the Environment

Representative of the Director of Environmental Protection

Environment and Conservation Fund Committee

Research Projects Vetting Sub-committee

Membership List

(1 April 2008 - 31 March 2009)

| | |
|---|--------------------------------|
| Mr. Joseph LEE, SBS, JP (Chairman) | |
| Professor CHAN Chak-keung | (up to 15 October 2008) |
| Professor WONG Woon-chung, Jonathan | |
| Mr. CHAN Kam-ching, Paul | (from 16 October 2008 onwards) |
| Professor CHAU Kwai-cheong | |
| Mr. KWONG Man-cheong, Barry | (from 16 October 2008 onwards) |
| Dr. LAU Pui-sang, Arthur | (from 16 October 2008 onwards) |
| Dr LEUNG Mei-yee, Kenneth | |
| Ms LEUNG Wun-man, Emba | (up to 15 October 2008) |
| Mr. MAN Mo-leung | (up to 15 October 2008) |
| Ms NG Ka-yin, Agnes | (from 16 October 2008 onwards) |
| Representative of the Secretary for the Environment | |
| Representative of the Director of Environmental Protection | |
| Representative of the Director of Agriculture, Fisheries and Conservation | |

Environment and Conservation Fund Committee

Waste Recovery Projects Vetting Sub-committee

Membership List

(1 April 2008 - 31 March 2009)

| | |
|---|--------------------------------|
| Ms CHOY So-yuk, JP (Chairlady) | (up to 15 October 2008) |
| Professor WONG Woon-chung, Jonathan (Chairman) | (from 16 October 2008 onwards) |
| Mr. CHAN Chi-kwong, Charles | (from 16 October 2008 onwards) |
| Mr. CHUNG Kong-mo, Edmond | (up to 15 October 2008) |
| Mr. FAN Hai-tai, Ricky | (up to 15 October 2008) |
| Mr. HO Siu-ping, Peter | (up to 15 October 2008) |
| Mr. KWONG Man-cheong, Barry | (up to 15 October 2008) |
| Mr. LAM Kwok-hing, Wilfred, JP | (up to 15 October 2008) |
| Dr. LAU Pui-sang, Arthur | (up to 15 October 2008) |
| Ms LAU Wai-kuen, Goretti | (up to 15 October 2008) |
| Mr. James LEONG | (from 16 October 2008 onwards) |
| Ms LEUNG Oi-mui, Amy | (up to 15 October 2008) |
| Mr. LEUNG Wai-on | |
| Mr. LO Yan-lai | (from 16 October 2008 onwards) |
| Mr. LUI Tung-ming, MH | |
| Ms NG Chui-yiu, Jennifer | (from 16 October 2008 onwards) |
| Mrs CHAN NGAN Man-ling, Edith | (up to 15 October 2008) |
| Professor POON Chi-sun | (up to 15 October 2008) |
| Mr. TSANG Kam-lam | (from 16 October 2008 onwards) |
| Dr. TSANG Po-keung, Eric | (up to 15 October 2008) |
| Dr. YAU Wing-kwong | |
| Representative for the Director of Environmental Protection | |

Environmental Campaign Committee

Membership List

(1 April 2008 - 31 March 2009)

Mr. Joseph LEE, SBS, JP (Chairman)
Ms Elizabeth LAW, MH, JP (Vice-chairman)
Mr. LAU Siu-hong, Freeman, BBS (up to 8 September 2008)
Dr. LAW Chi-kwong, SBS, JP
Mr. LEUNG Che-cheung, MH, JP
Dr. LEUNG Man-fuk, Edward
Mr. LEUNG Man-tao, Manuel
Mr. LUI Tung-ming, MH
Mr. MA Ching-hang, Patrick, BBS
Dr. NG Cho-nam, BBS, JP
Ms NG Chui-yiu, Jennifer
Mr. NG Ping-kin, Arkin
Mr. NG Sau-kei, Wilfred, MH, JP
Mr. TAM Siu-ping, George
Dr. TSANG Po-keung, Eric (up to 31 December 2008)
Ms WONG Pik-kiu, Peggy, MH
Ms WONG Suet-ying
Professor WONG Woon-chung, Jonathan
Secretary for Education, or his representative
Secretary for Home Affairs, or his representative
Director of Environmental Protection, or his representative
Director of Health, or his representative
Director of Information Services, or his representative

Environment and Conservation Fund

Investment Committee

Membership List

(1 July 2008 - 31 March 2009)

Secretary for the Environment (Chairman)

Professor LUNG Ping-yee, David, SBS, JP

Mrs. CHAN NGAN Man-ling, Edith

Ms Elizabeth LAW, MH, JP

Mr. POON Chung-yin, Joseph

Dr. YIP Chee-hang, Eric

Director of Environmental Protection

Deputy Director of Environmental Protection (1)

Director of Accounting Services or his representative

**Projects Approved under
the Environment and Conservation Fund
(1 April 2008 - 31 March 2009)**

Environmental Research and Technology Demonstration Projects

| | Applicant | Project Title | Approved Amount |
|-----------------------|---|--|------------------------|
| 1. | City University of Hong Kong | The Impacts of South China Monsoon Climate Variability and El Niño on Hong Kong Air Quality | \$249,880.00* |
| 2. | Friends of the Earth (HK) Charity Limited | Questionnaire on public usage of plastic bags before and after the implementation Plastic Bags Levy | \$244,800.00 |
| 3. | Green Council Limited | Current Status and Direction for Green Purchasing in Hong Kong | \$239,700.00 |
| 4. | Hong Kong Baptist University | A study of the biodiversity of coral-associated polychaetes in Sharp Island | \$421,020.00 |
| 5. | Hong Kong Baptist University | Environmental education on river remediation and ecological restoration: A case study on Shing Mun River and Lam Tsuen River | \$149,400.00 |
| 6. | Hong Kong Climate Change Forum Limited | 2nd International Climate Change Conference | \$400,000.00 |
| 7. | The Hong Kong Bird Watching Society Ltd. | Studying landbirds in important birds habitats of Hong Kong, especially in the Important Birds Areas (IBAs) | \$490,750.00 |
| 8. | The Hong Kong Polytechnic University | Developing a fully automated Close-Proximity vehicle for measuring tyre/road noise | \$1,768,380.00 |
| 9. | The Hong Kong Polytechnic University | Recycling of CRT Glass from Discarded Computer Monitors and TV Sets | \$441,400.00* |
| Subtotal (I) : | | | \$4,405,330.00 |

* Jointly funded by the Environment and Conservation Fund and Woo Wheelock Green Fund on a 50/50 basis.

Environmental Education and Community Action Projects (including Minor Works Projects)

| | Applicant | Project Title | Approved Amount |
|-------------------------|---|--|------------------------|
| General Projects | | | |
| 10. | Hong Kong-Macao Conference of Seventh-Day Adventists [Shan King Children & Youth Centre] | Love • Environmental Protection • Eco-harmony | \$2,711.00 |
| 11. | Lok Kwan Social Service [Wong Kwong Hon Community Centre] | Green x Green is Infinite> Clean the Body and Home in Western District | \$18,500.00 |
| 12. | The Mental Health Association of H.K. [J.C. Building Halfway House 2] | Environmental Protection Starts from the Daily Living | \$17,804.00 |
| 13. | The Hong Kong Polytechnic University [Department of Applied Biology and Chemical Technology] | Hong Kong Ecological Footprint and Green Life | \$24,440.00 |
| 14. | The Hong Kong Polytechnic University [Department of Applied Biology and Chemical Technology] | Green Mantle for Hong Kong Schools | \$20,092.00 |
| 15. | Tai Po Environmental Association Limited | BIG (Building Intelligent and Green) | \$440,612.00 |
| 16. | Christian Alliance S W Chan Memorial College | Alleviating Global Warming | \$6,812.00 |
| 17. | Hong Chi District Support Centre [N. T. (North District)] | "Green Angel" Environmental Protection Community Education Program | \$7,122.00 |
| 18. | The British Council | Climate Cool: Youth Action Against Climate Change Environmental Fair | \$39,929.00 |
| 19. | The Chinese Rhenish Church Hong Kong Synod [Mrs Mann Tai Po Rhenish Neighbourhood Elderly Centre] | Save the Earth | \$6,792.00 |

| | | | |
|-----------------------------|--|--|-----------------------|
| 20. | The Climate Group (Hong Kong) Limited | Hong Kong Carbon Reduction Campaign 2009/10 | \$373,600.00 |
| 21. | Caritas - Hong Kong (Social Work Services) | Save for the Blue Sky | \$418,500.00 |
| 22. | Yan Chai Hospital Social Services Department [Yan Chai Hospital Mrs. Kwok Yuk Cheung Care and Attention Home] | Green Elderly Home Environment Protection Scheme | \$10,532.40 |
| 23. | Yan Chai Hospital Social Services Department [Yan Chai Hospital 24th Term Board of Directors Social Services Centre Lau Kwan Ming Children & Youth Centre] | Harmonious Families - Eco-tourism | \$11,083.00 |
| 24. | Air Monitor Limited | Green Inspiration of South Asia Youth 2009 (Sea Shore Ecology) | \$3,120.00 |
| 25. | The Neighbourhood Advice-Action Council [Tung Chung Integrated Services Centre] | Green Horizon | \$7,000.00 |
| 26. | Friends of the Earth (HK) Charity Limited | Domestic Waste Recycling Program - Promoting Glass and Foam Recycling | \$11,760.00 |
| Subtotal (IIA): | | | \$1,420,409.40 |
| Minor Works Projects | | | |
| 27. | Yan Chai Hospital Chiu Tsang Hok Wan Primary School | Happy Children Happy Flowers | \$111,900.00 |
| 28. | Tung Wah Group of Hospitals Mrs. Wu York Yu Memorial College | Green Roof Demonstration Project at TWGHs Mrs. Wu York Yu Memorial College | \$280,000.00 |
| 29. | TWGHs Mrs. Wu York Yu Memorial College | Energy Saving Campus | \$99,800.00 |
| 30. | Tuen Mun Yan Oi Tong Tin Ka Ping Secondary School | Community Ecological Liberal Education Garden | \$1,069,500.00 |
| 31. | Taoist Ching Chung Primary School | Green Green Ching Chung | \$144,000.00 |

| | | | |
|-----|---|--|--------------|
| 32. | St. Paul's Convent School | Solar Panel Installation | \$485,000.00 |
| 33. | Yan Chai Hospital No. 2 Secondary School | School Green Roof Plan | \$527,100.00 |
| 34. | The HKTA Ching Chung Secondary School | Green Roof Project | \$409,000.00 |
| 35. | Yan Oi Tong Limited | Roof Greening Project of Yan Oi Tong | \$500,000.00 |
| 36. | Yan Oi Tong Limited | Roof Greening Project of Yan Oi Tong Tin Ka Ping Primary School | \$500,000.00 |
| 37. | Baptist Lui Ming Choi Primary School | Regenerating Power Education Scheme | \$492,000.00 |
| 38. | HKTA The Yuen Yuen Institute No.2 Secondary School | Green Movement | \$399,000.00 |
| 39. | Lok Sin Tong Yeung Chung Ming Primary School | Green Roof | \$404,000.00 |
| 40. | Kwai Ming Wu Memorial School of the Precious Blood (A.M.) | Si Yuan's Green Art | \$436,980.00 |
| 41. | Po Leung Kuk Ma Kam Ming College | Green Island Project | \$640,000.00 |
| 42. | Caritas Lok Kan School | Project E.R. (Renewable Energy) | \$247,500.00 |
| 43. | Caritas Lok Kan School | Project E.R. II (Environmental Roof) | \$810,370.00 |
| 44. | Po Leung Kuk Wu Chung College | ONE, TWO, FEE? | \$91,700.00 |
| 45. | Hong Chi Association | Hong Chi Green Village | \$696,400.00 |
| 46. | Choi Jun School | Green Roof Project | \$199,800.00 |
| 47. | The Hong Kong Architecture Centre Limited | Green Roof Scheme-Feasibility Evaluation & Knowledge Dissemination | \$506,900.00 |
| 48. | St. Edward's Catholic Primary School | Green Roof and Organic Farming Educational Learning | \$194,800.00 |

| | | | |
|-----|---|--|--------------|
| 49. | WFB Manjuri Nursey School | Energy Conservation – Everybody's Responsibility | \$49,320.00 |
| 50. | Lok Sin Tong Leung Kau Kui College | Lok Sin Tong Leung Kau Kui College Green Roof Project | \$492,000.00 |
| 51. | Po Leung Kuk Wong Chuk Hang Service for the Elderly | "Love in Green, Live in Green" Project | \$735,100.00 |
| 52. | Po Leung Kuk Laws Foundation College | A Green Roof Classroom under the Blue Sky (Green Roof Project) | \$453,000.00 |
| 53. | Yan Chai Hospital Yim Tsui Yuk shan Kindergarten | Minor Works Projects | \$166,490.00 |
| 54. | Kowloon True Light Middle School | Green Roof | \$235,500.00 |
| 55. | KCOBA Primary School | Live a More Green Lifestyle Today | \$88,080.00 |
| 56. | Ho Fung College (Sponsored by Sik Sik Yuen) | Harmony Green Campus | \$489,800.00 |
| 57. | Ho Dao College (Sponsored by Sik Sik Yuen) | Renewable Energy Study Centre in a Green Rood Garden | \$524,200.00 |
| 58. | Operation Dawn Limited | Action Sunlight | \$495,500.00 |
| 59. | The Jockey Club Eduyoung College | Saving energy with a green roof | \$640,500.00 |
| 60. | The Jockey Club Eduyoung College | Greener Brighter and Cheaper Lighting | \$191,740.00 |
| 61. | Buddhist Kok Kwong Secondary School | Greenroof | \$450,000.00 |
| 62. | CUHK FAA Thomas Cheung School | Let's SEE, let's Save Energy & Environment | \$82,000.00 |
| 63. | Christian Alliance SW Chan Memorial College | Alleviating Global Warming | \$340,300.00 |
| 64. | TWGHs Chen Zao Men College | Green and Energy Saving Project | \$391,210.00 |
| 65. | Lock Tao Secondary School | Extensive Green Roof | \$472,600.00 |
| 66. | Kwai Chung Methodist College | Supply and Installation of Solar Electric Panels at Roof | \$499,728.00 |

| | | | |
|-----|--|---|--------------|
| 67. | HKTA The Yuen Yuen Institute No.1 Secondary School | Replacement of the Old Air-conditioners | \$65,940.00 |
| 68. | S.K.H. Ching Shan Primary School | Less CO2 Campus | \$128,600.00 |
| 69. | S.K.H. Lui Ming Choi Secondary School | Green Power | \$113,800.00 |
| 70. | Alliance Primary School Sheung Shui | "Learning through the Nature in Campus" Project | \$234,000.00 |
| 71. | Canossa Primary School | 零碳、綠化校園、共享美好明天 * | \$297,155.00 |
| 72. | PAOK Ka Chi Secondary School | Green School : Learning Project | \$52,610.00 |
| 73. | Ling Liang Church E Wun Secondary School | Recycling Energy Green House | \$570,450.00 |
| 74. | Caritas Resurrection School | Save energy and protect our environment | \$68,050.00 |
| 75. | Elegantia College | Go! Go! Go! Go to the sustainable energy model! | \$330,500.00 |
| 76. | S.T.F.A. Seaward Woo College | Energy Efficient Room Coolers | \$100,000.00 |
| 77. | The Endeavourers Chan Cheng Kit Wan Kindegarten | Energy Efficient Room Coolers | \$68,580.00 |
| 78. | San Wui Commercial Society Secondary School | Extensive Green Roof | \$486,500.00 |
| 79. | San Wui Commercial Society Secondary School | Sustainable Community Participant Scheme | \$169,200.00 |
| 80. | Ning Po College | Wind Power in Ning Po | \$146,520.00 |
| 81. | Haven of Hope Sunnyside School | Installation of Environmental Friendly Air-conditioners and Fluorescent Tubes | \$214,000.00 |
| 82. | Yuk Yin School | School Horticulture Project and Refuse Dumping Bed | \$225,000.00 |
| 83. | HKCWC Fung Yiu king Memorial Secondary School | Saving Energy and Green Life | \$119,800.00 |
| 84. | HKCWC Fung Yiu king Memorial Secondary School | Green Roof Action | \$317,450.00 |

| | | | |
|-----|---|--|--------------|
| 85. | Yan Chai Hospital Law Chan Chor Si Primary School | Be a green school | \$483,000.00 |
| 86. | The Endeavourers Leung Lee Sau Yu Memorial Primary School | Energy Efficient Room Coolers | \$65,600.00 |
| 87. | HHCKLA Buddhist Ma Kam Chan Memorial English Secondary School | A Green Garden in Market | \$130,410.00 |
| 88. | Baptist (Sha Tin Wai) Lui Ming Choi Primary School | Efficient Energy Saving Scheme | \$243,478.00 |
| 89. | Fung Kai Public School | A Pilot "Flexible Solar Photovoltaic Panel" Installation in Hong Kong | \$390,000.00 |
| 90. | Yan Chai Hospital Ho Sik Nam Primary School | My Green Life | \$116,200.00 |
| 91. | HHCKLA Buddhist Po Kwong School | PO KWONG ECO-Campus | \$478,186.00 |
| 92. | YLPMS Alumni Association Ying Yip Primary School | Energy saving starts from us | \$100,000.00 |
| 93. | Ma On Shan Methodist Primary School | To save our planet, let's join our green-living and reduce greenhouse gases emissions | \$292,650.00 |
| 94. | Chinese YMCA of Hong Kong New Territories Centre | Construction of a Farm in N.T. Centre of Chinese YMCA & Community Environmental Protection Education Program | \$310,400.00 |
| 95. | WFB Manjuri Institute Nursey School | Energy Saving | \$24,232.50 |
| 96. | Lok Wah Catholic Primary School | Lok Tin Wind Turbine | \$287,450.00 |
| 97. | S.K.H. Wing Chun Primary School | The Green Platforms (WC) | \$341,554.00 |
| 98. | The Church of Christ in China Kei Faat Kindergarten | 綠色小天使 * | \$66,290.75 |
| 99. | Caritas Lok Jun School | To Build Our Healthy School (Phase 2): Love Our Planet, Learn to Use Energy Wisely | \$57,000.00 |

| | | | |
|------|--|--|--------------|
| 100. | Buddhist Wong Wan Tin College | 天空之城: 空中花園計劃 * | \$185,600.00 |
| 101. | Fanling Rhenish Church Secondary School | 節能 25 分鐘 * | \$100,500.00 |
| 102. | C.C.C. Kei Tsun Primary School | Conservation Power in School Learning Project | \$286,910.00 |
| 103. | C.C.C. Wanchai Church Kei To Primary School (Kowloon City) | Green Island | \$336,610.00 |
| 104. | Yaumati Catholic Primary School (Hoi wang Road) | Blue Sky! Let's go! | \$366,500.00 |
| 105. | Yaumati Catholic Primary School (Hoi wang Road) | Harmonious Greenland | \$508,000.00 |
| 106. | S.K.H. Kei Fook Primary School | Renewable Power | \$352,750.00 |
| 107. | Tsz Wan Shan St Bonaventure Catholic Primary School | Happy with fresh air | \$398,000.00 |
| 108. | Fresh Fish Traders' School | Save energy to help the earth | \$209,200.00 |
| 109. | Breakthrough Limited | A Journey of Experiencing Green | \$303,212.00 |
| 110. | S.K.H. Kei Ho Primary School | Love Blue Sky | \$418,400.00 |
| 111. | Cognitio College (Hong Kong) | Stop Global Warming: Green Roof | \$403,800.00 |
| 112. | St Clare's Girls's School | Laputa in St Clare's | \$524,400.00 |
| 113. | T.K.D.S. Fong Shu Chuen School | Green Paradise | \$317,000.00 |
| 114. | S.K.H. St. Benedict's School | Green Energy in School (Renewable Energy System) | \$448,160.00 |
| 115. | Yuen Long Town Hall Management Committee Limited | Saving Energy Campaign | \$185,000.00 |
| 116. | Immanuel Lutheran College | Energy Efficient Room Coolers | \$100,000.00 |

| | | | |
|------|---|--|--------------|
| 117. | Christian Alliance SY YEH Memorial Primary School | "From Impossible to I'm Possible" Life Enlightenment Programme Through Energy Conservation | \$122,600.00 |
| 118. | Christian Alliance SY YEH Memorial Primary School | Yeh's Roof-Top Garden Cum Environment Learning Centre | \$346,500.00 |
| 119. | Caritas Chan Chun Ha Field Studies Centre | Enhancement of the Learning-and-Teaching in Field Studies Centre through Roof Greening | \$132,000.00 |
| 120. | Shatin Methodist Primary School | Organic Sky Garden with Renewable Energy | \$426,420.00 |
| 121. | Sha Tin Methodist College | Towards an Environmentally Friendly Era | \$360,139.00 |
| 122. | Sha Tin Methodist College | Soalr PV Power Supply System Project | \$484,900.00 |
| 123. | Taoist Ching Chung Primary School | Ching Chung Power Station | \$270,000.00 |
| 124. | Carmel Bunnan Tong Memorial Secondary School | Replace Air-conditioners | \$100,000.00 |
| 125. | Hong Kong University of Science and Technology | Solar Hot Water System - Student Hall VII | \$285,000.00 |
| 126. | Baptist Wing Lung Secondary School | 「再造、再生，高科技能源」* | \$408,240.00 |
| 127. | Gigamind English Primary School | Extensive Green Roof | \$302,200.00 |
| 128. | H.K.T.A. Tang Hin Memorial Secondary School | Eco-Greenroof System | \$460,400.00 |
| 129. | TWGHs Yau Tze Tin Memorial College | Butterfly Garden on the roof | \$338,000.00 |
| 130. | Aberdeen Baptist Lui Ming Choi College | Solar School Program | \$483,000.00 |
| 131. | Ching Chung Hau Po Woon Secondary School | Environmental Friendly Self-study Canteen | \$222,000.00 |
| 132. | Precious Blood Primary School (South Horizons) | Solar Energy Electricity Supply | \$487,200.00 |
| 133. | Shatin Pui Ying College | Save energy for future | \$100,000.00 |

| | | | |
|------|---|---|--------------|
| 134. | Hong Kong Juvenile Care Centre Chan Nam Cheong Memorial School | Energy Efficient Room Coolers | \$75,000.00 |
| 135. | Hong Chi Pinehill No.2 School | Eco Green Roof | \$264,688.00 |
| 136. | Kwai Ming Wu Memorial School of the Precious Blood (P.M.) | Healthy lifestyle in our hand, leading to lovely green school | \$284,350.00 |
| 137. | Breakthrough Limited | City Oasis - A Journey of Environment Protection | \$197,056.00 |
| 138. | HHCKLA Buddhist Ching Kok Lin Association School | Green School Campus @ Ching Kok | \$310,800.00 |
| 139. | The IMC of Lung Kong World Federation School Limited Wong Yiu Nam Primary School | Renewable Energy Power and Meteorological Station | \$316,000.00 |
| 140. | Chan Sui Ki (La Salle) Primary School | Green Generation | \$323,600.00 |
| 141. | Precious Blood Secondary School | Solar Energy Electricity Supply | \$500,000.00 |
| 142. | Fanling Lutheran Secondary School | Replace Air-conditioners | \$73,600.00 |
| 143. | S.K.H. Tsoi Kung Po Secondary School | Establishing Electricity Generation by Solar-cell System and Weather Data Collecting System Project | \$465,000.00 |
| 144. | Hong Kong Baptist Convention Primary School | Let's learn in green | \$226,000.00 |
| 145. | Yan Tak Catholic Primary School | The Shinning Garden | \$675,400.00 |
| 146. | Stewards Ma Kam Ming Charitable Foundation Ma Ko Pan Memorial College | Solar School Program | \$497,500.00 |
| 147. | Tai Po Sam Yuk Secondary School | Skylines | \$69,800.00 |
| 148. | The Hong Kong Girl Guides Association | Energy Saving Work | \$228,690.00 |

| | | | |
|------|--|---|--------------|
| 149. | Sacred Heart Canossian College | Retrofitting large-scale PV system for education to built schools | \$454,000.00 |
| 150. | Ma On Shan Ling Liang Primary School | Green and R.E. World | \$485,021.60 |
| 151. | Cumberland Presbyterian Church Yao Dao Primary School | Tin Shui Wai Oasis — Green Well Project | \$781,350.00 |
| 152. | P.O.H. Tang Pui King Memorial College | 節能先鋒 * | \$245,000.00 |
| 153. | Maryknoll Fathers' School (Primary Section) | Green Roof Green School | \$379,875.00 |
| 154. | Buddhist Ho Nam Kam College | Energy Saving and Recycling | \$324,000.00 |
| 155. | C.N.E.C. Ta Tung School | Oasis | \$403,450.00 |
| 156. | Kwong Ming Ying Loi School | Hybird Renewable Energy System Project | \$484,500.00 |
| 157. | Yan Oi Tong Chan Wong Suk Fong Memorial Secondary School | Renewable Energy System Project | \$495,000.00 |
| 158. | Baptist Lui Ming Choi Secondary School | Demonstration and Education of Renewable Energy | \$420,610.00 |
| 159. | Tung Chung Catholic School | Green and Clean School Project (1) | \$38,800.00 |
| 160. | Buddhist Wing Yan School | Solar School Project | \$664,690.00 |
| 161. | Shaukiwan Tsung Tsin School | Love the Earth! Save the Energy! From Our School! | \$344,200.00 |
| 162. | Victoria Shanghai Academy | Solar Energy Electricity Supply | \$477,000.00 |
| 163. | S.K.H. Fung Kei Millennium Primary School | Green People, Green Life | \$106,000.00 |
| 164. | Our Lady of the Rosary College | Living in Conservation | \$404,000.00 |
| 165. | Yew Chung International School-Secondary | Yew Chung Sustainable Organic Green Roof Environmental Education & Networking (YCSOGREEN) | \$550,200.00 |

| | | | |
|------|--|--|--------------|
| 166. | Pui Ling School of the Precious Blood | Green Green Garden of Pui Ling | \$48,890.00 |
| 167. | Sponsored by HK Buddhist Association Buddhist Chi Kwong Kindergarten | 齊來環保, 愛護地球 * | \$160,250.00 |
| 168. | Chuk Lam Ming Tong Care & Attention Home For The Aged | Vitality of Greenroof in Chuk Lam | \$45,350.00 |
| 169. | The Yuen Yuen Institute Yuen Yuen Care & Attention Home For The Aged | Green Life in Our Home | \$277,270.00 |
| 170. | C.C.C. Fung Leung Kit Memorial Secondary School | Sustainable Energy Recycling Project | \$183,900.00 |
| 171. | Po Leung Kok Yao Ling Sun College | T5-fluorescent tubes and intelligent energy saving devices installation | \$132,658.00 |
| 172. | Po Leung Kok Yao Ling Sun College | A Project of Using Polymer-based Solar Laminates Renewable Energy System | \$660,000.00 |
| 173. | Ping Shek Estate Catholic Primary School | Children under the green roof | \$734,250.00 |
| 174. | Lee Kau Yan Memorial School | Green Roof | \$416,000.00 |
| 175. | S.K.H. St. John's Primary School | Blue sky green place | \$256,200.00 |
| 176. | Faith Lutheran School | 綠色齊有責 * | \$383,600.00 |
| 177. | Hong Chi Morninghope School, Tuen Mun | Green Life | \$447,100.00 |
| 178. | Tung Koon School (Sheung Shui) | Solar Power Irrigation System and Lighting System | \$484,000.00 |
| 179. | Lok Sin Tong Leung Wong Wai Fong Memorial School | Energy Efficient Room Coolers Replacement Plan | \$82,080.00 |
| 180. | Holy Family Canossian School (Kowloon Tong) | Green Roof System | \$423,000.00 |
| 181. | Ju Ching Chu Secondary School T.M. | Solar Film + LED Exit Sign | \$79,100.00 |
| 182. | HKSYC&IA Chan Nam Chong Memorial Secondary School | Renewable Energy System | \$485,000.00 |

| | | | |
|-----------------------------|--|---|------------------------|
| 183. | S.T.F.A. Ho Yat Tung Primary School (AM) | 《Save the Earth Save the Power》 of the 《Green Life》 | \$217,920.00 |
| 184. | Vocational Training Council | Supply and Installation of Solar Panels at Roof | \$472,000.00 |
| 185. | S.K.H. Lam Kau Mow Secondary School | Renewable Energy System Project | \$476,000.00 |
| 186. | Precious Blood Kindergarten | Energy efficient label standard air conditioners | \$100,000.00 |
| Subtotal (IIB) : | | | \$52,039,813.85 |
| Subtotal (IIA+IIB) : | | | \$53,460,223.25 |

* Projects without English Project Title.

Community Waste Recovery Projects

| | Applicant | Project Title | Approved Amount |
|------------------------|---|---|------------------------|
| 187. | Central & Western Mid-Levels Owners Association | Source Separation of Domestic Waste Programme in C&W District & Mid-Levels | \$969,000.00 |
| 188. | Kadoorie Farm and Botanic Garden | Waste to Food - Community Trial Project of Kitchen Waste Recovery with Vermi-composting | \$276,777.80 |
| Subtotal (III): | | | \$1,245,777.80 |

Programme on Source Separation of Domestic Waste

| | Applicant | Estates | Approved Amount |
|------------------------|---|---|------------------------|
| 189. | Sceneway Garden Estate Owners' Committee | Sceneway Garden | \$6,784.80 |
| 190. | The Incorporated Owners of Greenwood Terrace | Greenwood Terrace | \$11,434.50 |
| 191. | The Incorporated Owners of Lung Poon Court | Lung Poon Court (Blocks A-F) | \$22,755.00 |
| 192. | Urban Property Management Limited | Kingsford Terrace | \$84,018.00 |
| 193. | Student Residence, City University of Hong Kong | Student Residence, City University of Hong Kong | \$44,200.00 |
| 194. | The Incorporated Owners of Choi Ha Estate | Choi Ha Estate | \$81,565.00 |
| 195. | Urban Property Management Limited | Kam Tai Court | \$65,655.60 |
| 196. | Mental Health Association of Hong Kong Lei Cheng Uk House | Mental Health Association of Hong Kong Lei Cheng Uk House | \$1,370.00 |
| 197. | Kai Shing Management Services Limited | The Brentwood | \$4,800.00 |
| 198. | Goodwell Property Management Ltd | Jubilee Garden | \$69,460.00 |
| 199. | Discovery Bay Services Management Limited | Beach Village, Discovery Bay | \$12,583.00 |
| 200. | Sino Estates Management Limited | Scenic Gardens | \$44,000.00 |
| Subtotal (IV) : | | | \$448,625.90 |

Public Education Programme under the "Policy Framework"

| | Applicant | Project Title | Approved Amount |
|-----------------------|--|---|------------------------|
| 201. | Greeners Action | Save Food Project | \$448,990.00 |
| 202. | Greeners Action | Hong Kong Plastic Bag 3R Campaign | \$487,318.00 |
| 203. | Greeners Action | Weekly No Plastic Bag Day at Pharmacies | \$335,490.00 |
| 204. | Greeners Action | Plastic Shopping Bag Levy, You should know | \$698,826.00 |
| 205. | Tai Po Environmental Association | Advanced Recycling Community (ARC) | \$498,340.00 |
| 206. | Friends of the Earth (HK) | E-led Life | \$483,460.00 |
| 207. | Green Sense | Plastic Bags – Regenerating by reuse and recycle | \$499,988.00 |
| 208. | Shun Tak Fraternal Association Yung Yau College | Community Integrity - Fewer Disposable Bags | \$142,000.00 |
| 209. | St. Francis of Assisi's College | Operation Abandon Plastic Bags | \$24,200.00 |
| 210. | Long Ping Estate Resident Service Centre | Street campaign for distributing and exhibiting reusable bags | \$10,000.00 |
| Subtotal (V) : | | | \$3,628,612.00 |

Large-scale Environmental Education and Awareness Projects Coordinated by the Environmental Campaign Committee

| | Project Title | Participating bodies | Approved Amount |
|------|--|--|------------------------|
| 211. | World Environment Day 2008 | <ul style="list-style-type: none"> - Community organizations - District Councils - Environmental Protection Department - Green groups - Non-government organizations - Primary and secondary schools | \$1,890,000.00 |
| 212. | Hong Kong Environmental Protection Festival 2009 | --- | \$2,090,000.00 |
| 213. | 8 th Hong Kong Green School Award | <ul style="list-style-type: none"> - Education Bureau - Environmental Protection Department - Hong Kong Institute of Education - Hong Kong Productivity Council - Vocational Training Council - Pre-schools, primary and secondary schools | \$797,000.00 |
| 214. | Student Environmental Protection Ambassador Scheme 2008/2009 | <ul style="list-style-type: none"> - Education Bureau - Environmental Protection Department - Primary and secondary schools | \$1,216,500.00 |
| 215. | Waste Separation and Recycling Scheme for Schools | <ul style="list-style-type: none"> - Primary and secondary schools | \$3,000,000.00 |
| 216. | 2009 Hong Kong Awards for Environmental Excellence | <ul style="list-style-type: none"> - Environmental Protection Department - Advisory Council on the Environment - Business Environment Council - The Chinese General Chamber of Commerce - The Chinese Manufacturers Association of Hong Kong - Federation of Hong Kong | \$8,395,000.00 |

| | | | |
|--|--|--|------------------------|
| | | <p>Industries</p> <ul style="list-style-type: none"> - The Hong Kong Chinese Importers & Exporters Association - The Hong Kong Council of Social Service - Hong Kong General Chamber of Commerce - Hong Kong Productivity Council - Industrial and Commercial Sectors - Public Sector - Primary and secondary schools | |
| 217. | Sharing with EE&CA Project Organizations | <ul style="list-style-type: none"> - Community Groups - Green Groups - Pre-schools, primary and secondary schools, as well as tertiary institutions | \$3,000.00 |
| Project support to Environmental Campaign Committee | | | |
| 218. | General support (including website maintenance fee, auditing fee, etc.) | | \$255,000.00 |
| 219. | Project Coordinating Staff for Business Partnership Liaison Team , Community Liaison Team, EE&CA Projects Team, and Schools Liaison Team | | \$2,948,400.00 |
| Subtotal (VI) : | | | \$20,594,900.00 |
| Total (I)+(II)+(III)+(IV)+(V)+(VI) : | | | \$83,783,468.95 |

Report of the Director of Audit



Independent Audit Report

To the Legislative Council

I certify that I have audited the financial statements of the Environment and Conservation Fund set out on pages 33 to 39, which comprise the balance sheet as at 31 March 2009, and the income and expenditure account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Secretary for the Environment's responsibility for the financial statements

The Secretary for the Environment is responsible for the preparation and the true and fair presentation of these financial statements in accordance with section 8(1) of the Environment and Conservation Fund Ordinance (Cap. 450) 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 8(2) of the Environment and Conservation Fund 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 Secretary for the Environment, 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 Environment and Conservation Fund as at 31 March 2009 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 8(1) of the Environment and Conservation Fund Ordinance.



(WONG Ying-tao, Peter)
Principal Auditor
for Director of Audit

9 June 2009

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

Environment and Conservation Fund
Balance Sheet as at 31 March 2009

| | 2009 | 2008 |
|-----------------------|----------------------|----------------------|
| | HK\$ | HK\$ |
| ASSETS | | |
| Current Assets | | |
| Interest receivable | 41,936 | 811,733 |
| Bank deposits | 1,064,740,303 | 1,075,349,001 |
| Cash at bank | 215,694 | 304,680 |
| | <u>1,064,997,933</u> | <u>1,076,465,414</u> |
| TOTAL ASSETS | <u>1,064,997,933</u> | <u>1,076,465,414</u> |
| EQUITY | | |
| Accumulated Fund | <u>1,064,997,933</u> | <u>1,076,465,414</u> |

The accompanying notes 1 to 7 form part of these financial statements.

(Edward Yau)

Secretary for the Environment
Trustee of the Environment and Conservation Fund

9 June 2009

Environment and Conservation Fund
Income and Expenditure Account for the year ended 31 March 2009

| | Note | 2009 HK\$ | 2008 HK\$ |
|--|------|---------------------|--------------------|
| Income | | | |
| Government grant | | - | 1,000,000,000 |
| Interest | | 14,422,122 | 3,897,115 |
| Refund of grants | | 114,104 | 3,467 |
| Other receipts | | 1,472 | - |
| | | 14,537,698 | 1,003,900,582 |
| Expenditure | | | |
| Grants to Environmental Campaign Committee | 4 | 11,422,104 | 6,475,590 |
| Grants for environmental research and other projects | | 14,583,075 | 4,793,906 |
| | | 26,005,179 | 11,269,496 |
| (Deficit) / Surplus for the year | | (11,467,481) | 992,631,086 |

The accompanying notes 1 to 7 form part of these financial statements.

Environment and Conservation Fund
Statement of Changes in Equity for the year ended 31 March 2009

| | 2009 | 2008 |
|----------------------------------|----------------------|----------------------|
| | HK\$ | HK\$ |
| Accumulated Fund: | | |
| Balance at 1 April 2008 | 1,076,465,414 | 83,834,328 |
| (Deficit) / Surplus for the year | (11,467,481) | 992,631,086 |
| Balance at 31 March 2009 | <u>1,064,997,933</u> | <u>1,076,465,414</u> |

The accompanying notes 1 to 7 form part of these financial statements.

Environment and Conservation Fund
Cash Flow Statement for the year ended 31 March 2009

| | 2009 | 2008 |
|---|---------------|---------------|
| | HK\$ | HK\$ |
| Cash flows from operating activities | | |
| (Deficit) / Surplus for the year | (11,467,481) | 992,631,086 |
| Interest income | (14,422,122) | (3,897,115) |
| Net cash (used in) / from operating activities | (25,889,603) | 988,733,971 |
| Cash flows from investing activities | | |
| Interest received | 15,191,919 | 3,379,556 |
| Net cash from investing activities | 15,191,919 | 3,379,556 |
| Net (decrease) / increase in cash and cash equivalents | (10,697,684) | 992,113,527 |
| Cash and cash equivalents at 1 April 2008 | 1,075,653,681 | 83,540,154 |
| Cash and cash equivalents at 31 March 2009 | 1,064,955,997 | 1,075,653,681 |
| Analysis of the balances of cash and cash equivalents | | |
| Bank deposits with original maturity within three months | 1,064,740,303 | 1,075,349,001 |
| Cash at bank | 215,694 | 304,680 |
| | 1,064,955,997 | 1,075,653,681 |

The accompanying notes 1 to 7 form part of these financial statements.

Environment and Conservation Fund
Notes to the Financial Statements

1. General

The financial statements of the Environment and Conservation Fund (the Fund) are prepared in accordance with section 8(1) of the Environment and Conservation Fund Ordinance (Cap. 450).

The Fund was established for the purposes of funding educational, research and other projects and activities in relation to environmental and conservation matters in accordance with section 4 of the Environment and Conservation Fund Ordinance.

The address of the Fund's office is Room 605, Chinachem Exchange Square, 1 Hoi Wan Street, Quarry Bay, Hong Kong.

2. Significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with applicable Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants, and accounting principles generally accepted in Hong Kong.

(b) Basis for preparation

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

(c) Adoption of new/revised HKFRSs

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

The Fund has not early applied any HKFRS that is not yet effective for the current accounting period. The Fund has considered that these HKFRSs may not have a significant impact on its results of operations and financial position.

(d) Revenue recognition

(i) Government grant is recognised on actual receipt as no basis exists for allocating the grant to periods other than the one in which it was received.

(ii) Interest income from bank deposits is recognised on a time-apportioned basis with reference to the principal amounts outstanding and the applicable interest rates.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, having been within three months of maturity when acquired.

3. Financial Instruments

The Fund's major financial instruments are bank deposits. The main risks associated with these financial instruments are credit risk and market risk.

(a) Credit risk

In order to minimise the credit risk, the Fund's bank deposits are placed with reputable licensed banks in Hong Kong.

(b) Market risk

The Fund's bank deposits are exposed to market risk arising from fluctuations in interest rates. It is estimated that if the interest rates on bank deposits had been 100 basis points higher/lower and all other variables were held constant, the Fund's deficit for the year would have decreased/increased by approximately HK\$10,700,000 (2008: surplus increased/decreased by approximately HK\$1,200,000). This sensitivity analysis is based on the average amount of the Fund's bank deposits during the year and on the assumption that higher/lower interest rates were applicable throughout the year.

4. Grants

Grants to the Environmental Campaign Committee for funding its core activities and projects undertaken by other non-profit making organisations are charged to the income and expenditure account of the Fund upon actual payment. As at the balance sheet date, the unspent balance held by the Environmental Campaign Committee was as follows:

| | 2009 HK\$ | 2008 HK\$ |
|--------------------------|----------------------------|----------------------------|
| Receipts during the year | | |
| Grants | 11,422,104 | 6,475,590 |
| Interest | 1,776 | 19,521 |
| | <u>11,423,880</u> | <u>6,495,111</u> |
| Payments during the year | <u>(12,030,061)</u> | <u>(6,879,801)</u> |
| | (606,181) | (384,690) |
| Balance at 1 April 2008 | 1,115,310 | 1,500,000 |
| Balance at 31 March 2009 | <u><u>509,129</u></u> | <u><u>1,115,310</u></u> |

5. Capital Management

The capital of the Fund consists solely of the accumulated fund balance. The Fund's objectives when managing capital are:

- to comply with the Environment and Conservation Fund Ordinance; and
- to maintain a strong capital base for carrying out the purposes of the Fund as stated in note 1 above.

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

6. Commitments

As at 31 March 2009, the commitments for approved grants payable to organisations subject to satisfactory progress or completion of the relevant projects were HK\$68,637,493 (2008: HK\$10,727,975).

7. Cost of administration of the fund

The cost of administration of the Fund, other than the salaries and fees paid under section 6(3) of the Environment and Conservation Fund Ordinance, has been borne by the Government of the Hong Kong Special Administrative Region in accordance with section 9(1) of the Environment and Conservation Fund Ordinance.