

**MARINE FISH SCHOLARSHIP FUND REPORT**  
**FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MARCH 2018**

THIS Report is submitted in accordance with Section 23(3) of the Marine Fish (Marketing) Ordinance, Cap. 291.

2. The Marine Fish Scholarship Fund (the Fund) was established on 17 February 1978 under Section 19 of the Marine Fish (Marketing) Ordinance for the purpose of providing scholarships, grants and loans for the education and training of persons (including their families and dependants), who are employed in the marine fisheries and fish marketing industries in Hong Kong; and persons who wish to enter the marine fisheries and fish marketing industries in Hong Kong. The Fund was first created with an allocation of \$1 million from the Fish Marketing Organization's accumulated surplus and it may be increased by way of interest, and by moneys and assets donated, subscribed or bequeathed to the Fund. The capital of the Fund was increased to \$2 million in 1986-87 by the injection of an additional \$1 million from the Fish Marketing Organization. During the years 2002-03, 2003-04 and 2007-08, the Fish Marketing Organization had further injected an additional \$0.5 million, \$1 million and \$3 million respectively into the Fund, thereby increasing its capital to \$6.5 million. During the year of 2014-15, the Fish Marketing Organization had further injected \$3 million into the Fund. The funding is recognized as income and then transferred to the capital thereby increasing the capital of the Fund to \$9.5 million.

3. The Fund is administered by its Trustee (the Director of Marketing) on the advice of the Marine Fish Scholarship Fund Advisory Committee which comprises the Trustee (as ex-officio Chairman), four members appointed by the Chief Executive and three members elected amongst members of the Fish Marketing Advisory Board.

**Income and Expenditure**

4. In the financial year 2017-18, aggregate income including interest income on held-to-maturity investments and bank deposits was \$35,599 whilst the total expenditure amounted to \$430,157. The deficit for the year was \$394,558.

**Awards of Scholarships, Grants and Loans**

5. During 2017-18, a total of \$389,000 was awarded to 12 students studying various courses at local and overseas universities and 11 students pursuing senior secondary school education locally as scholarship. No grants and loans were issued during the year.

**Financial Statements**

6. The financial statements of the Fund have been audited by an auditor appointed by the Chief Executive. The audited financial statements together with the Auditor's Report for the financial year 2017-18 are attached.

LEUNG Siu-fai  
Director of Marketing  
Trustee, MARINE FISH SCHOLARSHIP FUND

Encl.

**MARINE FISH SCHOLARSHIP FUND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2018**



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE MARINE FISH SCHOLARSHIP FUND**  
(Established under the Marine Fish (Marketing) Ordinance, Chapter 291)

**Opinion**

*What we have audited*

The financial statements of Marine Fish Scholarship Fund (the "Fund") set out on pages 4 to 16, which comprise:

- the balance sheet as at 31 March 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

*Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE MARINE FISH SCHOLARSHIP FUND (CONTINUED)**  
(Established under the Marine Fish (Marketing) Ordinance, Chapter 291)

**Responsibilities of Trustee for the Financial Statements**

The Marine Fish (Marketing) Ordinance, Chapter 291, requires the Trustee to keep proper accounts. The Trustee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Fund or to ceases operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE MARINE FISH SCHOLARSHIP FUND (CONTINUED)**  
(Established under the Marine Fish (Marketing) Ordinance, Chapter 291)

**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers*

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 10 AUG 2018

**MARINE FISH SCHOLARSHIP FUND**

(All amounts in Hong Kong dollars unless otherwise stated)

**BALANCE SHEET**

		<u>As at 31 March</u>	
	Note	2018	2017
<b>ASSETS</b>			
<b>Current assets</b>			
Held-to-maturity investments	6	-	498,906
Other receivables		6,914	6,726
Bank deposits with original maturities over three months	7	4,000,000	3,864,675
Cash and cash equivalents	7	180,681	204,850
<b>Total assets</b>		<u>4,187,595</u>	<u>4,575,157</u>
<b>FUNDS</b>			
Capital allocated by the Fish Marketing Organization		9,500,000	9,500,000
Accumulated deficit		(5,354,542)	(4,959,984)
<b>Total funds</b>		<u>4,145,458</u>	<u>4,540,016</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals		42,137	35,141
<b>Total funds and liabilities</b>		<u>4,187,595</u>	<u>4,575,157</u>

The above balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 4 to 16 were approved by the Trustee on 10 AUG 2018



Trustee

Hong Kong

**MARINE FISH SCHOLARSHIP FUND**  
(All amounts in Hong Kong dollars unless otherwise stated)

**STATEMENT OF COMPREHENSIVE INCOME**

	Note	Year ended 31 March	
		2018	2017
<b>Income</b>			
Interest income on held-to-maturity investments		2,643	6,579
Interest income on bank deposits		31,656	27,562
Sundry income		1,300	1,200
		<u>35,599</u>	<u>35,341</u>
<b>Expenditure</b>			
Auditor's remuneration		(39,000)	(33,000)
Scholarships		(389,000)	(136,000)
Premium on amortisation/(amortisation) of held-to-maturity investments	6	1,094	(1,636)
Bank charges		(3,251)	(2,261)
		<u>(430,157)</u>	<u>(172,897)</u>
<b>Deficit for the year</b>		<u>(394,558)</u>	<u>(137,556)</u>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive loss for the year</b>		<u><u>(394,558)</u></u>	<u><u>(137,556)</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**MARINE FISH SCHOLARSHIP FUND**  
 (All amounts in Hong Kong dollars unless otherwise stated)

**STATEMENT OF CHANGES IN FUNDS**

	Capital allocated by the Fish Marketing Organization (note)	Accumulated deficit	Total funds
<b>Balance as at 1 April 2016</b>	9,500,000	(4,822,428)	4,677,572
<b>Total comprehensive loss</b> Deficit for the year	-	(137,556)	(137,556)
<b>Balances as at 31 March 2017 and 1 April 2017</b>	9,500,000	(4,959,984)	4,540,016
<b>Total comprehensive loss</b> Deficit for the year	-	(394,558)	(394,558)
<b>Balance as at 31 March 2018</b>	9,500,000	(5,354,542)	4,145,458

Note: The balance represents capital allocated by the Fish Marketing Organization to support the operations of the Fund.

The above statement of changes in funds should be read in conjunction with the accompanying notes.



**MARINE FISH SCHOLARSHIP FUND**

(All amounts in Hong Kong dollars unless otherwise stated)

**STATEMENT OF CASH FLOWS**

		<u>Year ended 31 March</u>	
	Note	2018	2017
<b>Net cash used in operating activities</b>	8(a)	<u>(422,955)</u>	<u>(169,003)</u>
<b>Cash flows from investing activities</b>			
Interest received		34,111	31,509
Proceeds from redemption of held-to-maturity investments	6	500,000	500,000
Net placement of bank deposits with original maturities over three months		<u>(135,325)</u>	<u>(411,828)</u>
Net cash inflow from investing activities		<u>398,786</u>	<u>119,681</u>
<b>Net decrease in cash and cash equivalents</b>		(24,169)	(49,322)
Cash and cash equivalents at beginning of the year		<u>204,850</u>	<u>254,172</u>
<b>Cash and cash equivalents at end of the year</b>	7	<u><u>180,681</u></u>	<u><u>204,850</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

## **MARINE FISH SCHOLARSHIP FUND**

(All amounts in Hong Kong dollars unless otherwise stated)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1 General information**

The financial statements of the Marine Fish Scholarship Fund (the "Fund") are prepared in accordance with Section 23(1) of the Marine Fish (Marketing) Ordinance, Cap. 291. The Fund was established for the following objects:

- (a) the provision of scholarships, grants and loans for the education and training of persons who are employed in the marine fisheries and fish marketing industries in Hong Kong and their families and dependants; and
- (b) the provision of scholarships, grants and loans for the education and training of persons who wish to enter the marine fisheries and fish marketing industries in Hong Kong.

The address of the Fund is 757 Lai Chi Kok Road, Cheung Sha Wan Wholesale Vegetable Market, Cheung Sha Wan, Kowloon.

These financial statements are presented in Hong Kong dollars unless otherwise stated.

#### **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **2.1 Basis of preparation**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

- (a) New and amended standards (collectively, the "Amendments") adopted by the Fund

The Fund has applied the following Amendments for the first time for its annual reporting period commencing 1 April 2017:

- HKAS 7 (Amendment) Statement of Cash Flows: Disclosure initiative

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods other than certain additional disclosure to satisfy the new disclosure requirements introduced by HKAS 7 (Amendment), which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow changes.

The Fund has not applied any new standard or interpretation that is not yet effective for the current accounting period.

**MARINE FISH SCHOLARSHIP FUND**  
(All amounts in Hong Kong dollars unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS**

**2 Summary of significant accounting policies (Continued)**

**2.1 Basis of preparation (Continued)**

(b) Amendments that are not yet effective and have not been early adopted by the Fund

Certain Amendments have been published that are mandatory for the Fund's reporting periods beginning on or after 1 April 2018. The following Amendments are relevant and applicable to the Fund; however, they have not been early adopted in these financial statements:

Annual Improvements Project – HKFRS 1 and HKAS 28 (Amendment)	Annual improvements 2014 - 2016 cycle <sup>1</sup>
HKFRS 9	Financial instruments <sup>1</sup>
HKFRS 15	Revenue from contracts with customers <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture <sup>3</sup>
HK(IFRIC) 22	Foreign currency transactions and advance consideration <sup>1</sup>

Notes:

- (1) Effective for financial periods beginning on 1 January 2018
- (2) Effective for financial periods beginning on 1 January 2019
- (3) Effective for financial periods beginning on or after a date to be determined

The Fund is in the process of making an assessment of what the impact of these Amendments is expected to be in the period of initial application. So far the Fund has identified some aspects of the new standards which may have a significant impact on the financial statements. Further details of the expected impacts are discussed below. While preliminary assessment has been completed for HKFRS 9 and HKFRS 15 the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on information currently available to the Fund, and further impacts may be identified before the standards are initially applied. The Fund may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial statements.

HKFRS 9 Financial instruments

HKFRS 9 addresses the classification, measurement and derecognition of financial assets, financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Fund has reviewed its financial assets and liabilities and considers that the new standard does not have any impact on the classification and measurement of its financial assets and liabilities.

The new hedge accounting rules will not have any impact on the Fund's financial statements since the Fund has not applied hedge accounting.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39 "Financial Instruments: Recognition and Measurement". As the Fund's financial assets mainly comprises other receivables, bank deposits with original maturities over three months and cash and cash equivalents, the adoption of the new impairment requirements will not have material impact on the financial statements.

HKFRS 9 must be applied for the Fund's financial year commencing on 1 April 2018.

## **MARINE FISH SCHOLARSHIP FUND**

(All amounts in Hong Kong dollars unless otherwise stated)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **2 Summary of significant accounting policies (Continued)**

##### **2.1 Basis of preparation (Continued)**

- (b) Amendments that are not yet effective and have not been early adopted by the Fund (Continued)

##### HKFRS 15 Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18 “Revenue”, which covers revenue arising from sales of goods and rendering of services, and HKAS 11 “Construction Contracts”, which specifies the accounting for revenue from construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The Fund intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in accumulated deficit as of 1 April 2018 and that comparatives will not be restated.

The Fund performed a preliminary assessment of HKFRS 15, which is subject to changes arising from a more detailed ongoing analysis. The Fund expects that the adoption of HKFRS 15 will have no material impact on the financial statements in the period of initial application. However, there will be additional disclosures upon the adoption of HKFRS 15.

HKFRS 15 is mandatory for the Fund’s financial year commencing on 1 April 2018.

The Fund is currently assessing the impact of the adoption of other Amendments and is of the view that they would not have a significant impact on the Fund’s results of operations and financial position.

##### **2.2 Foreign currency translation**

- (a) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (“the functional currency”). The financial statements are presented in Hong Kong dollars, which is the Fund’s functional and presentation currency.

- (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

## **MARINE FISH SCHOLARSHIP FUND**

(All amounts in Hong Kong dollars unless otherwise stated)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **2 Summary of significant accounting policies (Continued)**

##### **2.3.1 Financial assets**

The Fund classifies its financial assets in the following categories: loans and receivables and held-to-maturity investments. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets, quoted in an active market with fixed or determinable payments and fixed maturities that the Trustee has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets.

(b) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

##### **2.3.2 Recognition and measurement**

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

##### **2.4 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Fund currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Fund has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

##### **2.5 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts, if any.

## **MARINE FISH SCHOLARSHIP FUND**

(All amounts in Hong Kong dollars unless otherwise stated)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **2 Summary of significant accounting policies (Continued)**

##### **2.6 Impairment of financial assets carried at amortised cost**

The Fund assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Fund may measure impairment on the basis of any instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

##### **2.7 Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

##### **2.8 Revenue recognition**

Interest income on bank deposits is recognised on a time proportion basis using the effective interest method.

Sundry income is recognised on an accruals basis.

##### **2.9 Capital allocated by the Fish Marketing Organization**

The funding is recognised in the statement of comprehensive income as income and then transferred to the "capital allocated by the Fish Marketing Organization", which is used to support the operation of the Fund.

**MARINE FISH SCHOLARSHIP FUND**  
(All amounts in Hong Kong dollars unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS**

**3 Financial and capital risks management**

**3.1 Financial risk factors**

The Fund's activities expose it to a variety of financial risks factors: foreign exchange risk, credit risk, liquidity risk and cash flow interest rate risk. The Fund's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Fund's financial performance.

(a) Foreign exchange risk

Foreign exchange risk arises where future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Fund's functional currency. The Fund is not exposed to material foreign exchange risk as it has no significant transactions which are denominated in foreign currency. In the opinion of the Trustee, the Fund has minimal exposure to the foreign exchange risk as the transactions are mainly denominated in Hong Kong dollars and no sensitivity analysis is performed.

(b) Credit risk

The Fund has policies in place for the control and monitoring of its credit risk. The credit risk of the Fund is primarily attributable to deposits at banks.

The credit risk on liquid funds are limited because the counterparties are banks which are with high credit ratings assigned by international credit-rating agencies. As such, no significant credit risk is anticipated.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient bank deposits and bank balances. In the opinion of Trustee, the Fund does not have any significant liquidity risk.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 31 March 2018 and 2017, the maturity analysis of the financial liabilities is as follows:

	2018	2017
<b>Less than one year</b>		
Accruals	42,137	35,141
	<u>          </u>	<u>          </u>

(d) Cash flow interest rate risk

Other than the bank deposits, the Fund has no other significant interest-bearing assets and liabilities. The Fund's income and operating cash flows are substantially independent of changes in market interest rates. Accordingly, in the opinion of the Trustee, the exposure to cash flow interest rate risk is considered to be low and no sensitivity analysis is performed.

**MARINE FISH SCHOLARSHIP FUND**

(All amounts in Hong Kong dollars unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS**

**3 Financial and capital risks management (Continued)**

**3.2 Fund risk management**

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern and to have sufficient funding for future operations. The Fund's overall strategy remains unchanged from prior year.

The capital of the Fund comprises its capital allocated by the Fish Marketing Organization and accumulated deficit.

**3.3 Fair value estimation**

Fair value measurement by level of hierarchy is not disclosed as the Fund has no financial instruments measured at fair value on the three level hierarchy basis in the balance sheet.

The carrying value less impairment provision of receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purpose is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments, unless the effect of discounting is insignificant.

**3.4 Offsetting financial assets and financial liabilities**

No disclosure of the offsetting of financial assets and financial liabilities is made in these financial statements as there is no netting arrangement in place during the year.

**4 Critical accounting estimates and judgements**

Estimates and judgements used in preparation of the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the Trustee, there are no estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities within the next financial year.



**MARINE FISH SCHOLARSHIP FUND**  
(All amounts in Hong Kong dollars unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS**

**5 Financial instruments by category**

The Fund's financial instruments include the following:

	<b>Held-to-maturity investments</b>	<b>Loans and receivables</b>	<b>Total</b>
<b>Assets</b>			
<u>31 March 2018</u>			
Other receivables	-	6,914	6,914
Bank deposits with original maturities over three months	-	4,000,000	4,000,000
Cash and cash equivalents (Note 7)	-	180,681	180,681
	<u>-</u>	<u>4,187,595</u>	<u>4,187,595</u>
<u>31 March 2017</u>			
Held-to-maturity investments (Note 6)	498,906	-	498,906
Other receivables	-	6,726	6,726
Bank deposits with original maturities over three months	-	3,864,675	3,864,675
Cash and cash equivalents (Note 7)	-	204,850	204,850
	<u>498,906</u>	<u>4,076,251</u>	<u>4,575,157</u>
		2018	2017
<b>Financial liabilities - other financial liabilities at amortised cost</b>			
Accruals		<u>42,137</u>	<u>35,141</u>

**6 Held-to-maturity investments**

	2018	2017
Listed in Hong Kong, at amortised cost	<u>-</u>	<u>498,906</u>

The movement in held-to-maturity investments may be summarised as follows:

	2018	2017
At 1 April	498,906	1,000,542
Redemption	(500,000)	(500,000)
Premium/(amortisation)	1,094	(1,636)
At 31 March	<u>-</u>	<u>498,906</u>

The Fund has not reclassified any financial assets measured amortised cost rather than fair value during the year (2017: HK\$nil).

**MARINE FISH SCHOLARSHIP FUND**

(All amounts in Hong Kong dollars unless otherwise stated)

**NOTES TO THE FINANCIAL STATEMENTS****6 Held-to-maturity investments (Continued)**

There are no gains or losses realised on the redemption of held-to-maturity investments in 2018 and 2017, as all the financial assets are redeemed at their redemption date.

The fair value of held-to-maturity investments as at 31 March 2017 was HK\$499,550, which was based on quoted market bid prices as at balance sheet date.

Held-to-maturity investments are denominated in Hong Kong dollars.

The maximum exposure to credit risk at the reporting date is the carrying amount of held-to-maturity investments.

**7 Bank deposits with original maturity over three months and cash and cash equivalents**

	2018	2017
Cash at banks	180,681	204,850
Bank deposits	4,000,000	3,864,675
	<u>4,180,681</u>	<u>4,069,525</u>
Less: Bank deposits with original maturity over three months	(4,000,000)	(3,864,675)
Cash and cash equivalents in the balance sheet	<u>180,681</u>	<u>204,850</u>
Maximum exposure to credit risk	<u>4,180,681</u>	<u>4,069,525</u>

As at 31 March 2018, the effective interest rate on the bank deposits with original maturity over three months is 1.11% (2017: 0.99%); these deposits have an average maturity of 234 days (2017: 188 days).

The carrying amounts of cash and deposits are denominated in Hong Kong dollars.

**8 Cash flow information****(a) Cash used in operations**

	2018	2017
Deficit for the year	(394,558)	(137,556)
Adjustments for:		
- Interest income on held-to-maturity investments	(2,643)	(6,579)
- Interest income on bank deposits	(31,656)	(27,562)
- Premium on amortisation/(amortisation) of held-to-maturity investments	(1,094)	1,636
	<u>(429,951)</u>	<u>(170,061)</u>
Change in working capital:		
- Accruals	6,996	1,058
Cash used in operations	<u>(422,955)</u>	<u>(169,003)</u>

**(b) Reconciliation of liabilities arising from financing activities was not presented as there was no change in liabilities arising from financing activities during the year.**