

MARINE FISH SCHOLARSHIP FUND REPORT
FOR THE PERIOD FROM 1 APRIL 2012 TO 31 MARCH 2013

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

1. 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 and 2003-04, the Fish Marketing Organization further injected an additional \$0.5 million, and \$1 million respectively into the Fund, thereby increasing its capital to \$3.5 million. During the year 2007-08, the Fish Marketing Organization injected another \$3 million into the Fund, thereby increasing its capital to \$6.5 million.

2. 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

3. In the financial year 2012-13, aggregate income including interest income on held-to-maturity investments and bank deposits was \$74,615 whilst the total expenditure amounted to \$383,498. The deficit for the year was \$308,883.

Awards of Scholarships, Grants and Loans

4. During 2012-13, a total of \$341,000 was awarded as scholarships to 13 students studying various courses at local and overseas universities, and to 4 students pursuing senior secondary school education locally. No grants and loans were issued during the year.

Financial Statements

5. 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 2012-13 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 2013

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

We have audited the financial statements of the Marine Fish Scholarship Fund (the "Fund") set out on pages 3 to 16, which comprise the balance sheet as at 31 March 2013, and the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustee's Responsibility 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 financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 of financial statements that give a true and fair view 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 Trustee, as well as evaluating the overall presentation of the financial statements.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Fund as at 31 March 2013 and of the Fund's deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 August 2013

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

BALANCE SHEET

		<u>As at 31 March</u>	
	Note	2013	2012
ASSETS			
Non-current assets			
Held-to-maturity investments	6	1,026,461	2,035,816
		<u>-----</u>	<u>-----</u>
Current assets			
Held-to-maturity investments	6	1,000,050	652,519
Interest-free loans	7	-	-
Accounts receivables		19,360	29,664
Bank deposits with maturities of more than three months and within one year		550,000	250,000
Cash and cash equivalents	8	252,251	189,907
		<u>-----</u>	<u>-----</u>
		1,821,661	1,122,090
		<u>-----</u>	<u>-----</u>
Total assets		<u>2,848,122</u>	<u>3,157,906</u>
FUNDS			
Capital allocated by the Fish Marketing Organization	9	6,500,000	6,500,000
Accumulated deficit	9	(3,682,301)	(3,373,418)
		<u>-----</u>	<u>-----</u>
Total funds		<u>2,817,699</u>	<u>3,126,582</u>
LIABILITIES			
Current and total liabilities			
Accruals		30,423	31,324
		<u>-----</u>	<u>-----</u>
Total funds and liabilities		<u>2,848,122</u>	<u>3,157,906</u>

The notes on pages 7 to 16 are an integral part of these financial statements.

The financial statements on pages 3 to 16 were approved by the Trustee on 22 August 2013.

LEUNG Siu-fai

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	
		2013	2012
Income			
Interest income on held-to-maturity investments		68,472	99,800
Interest income on bank deposits		5,143	355
Sundry income		1,000	-
		<u>74,615</u>	<u>100,155</u>
Expenditure			
Auditor's remuneration		(29,000)	(29,000)
Scholarships		(341,000)	(191,000)
Amortisation of held-to-maturity investments	6	(11,824)	(16,794)
Bank charges		(1,674)	(1,825)
		<u>(383,498)</u>	<u>(238,619)</u>
Deficit for the year		(308,883)	(138,464)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(308,883)</u>	<u>(138,464)</u>

The notes on pages 7 to 16 are an integral part of these financial statements.

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

STATEMENT OF CHANGES IN FUNDS

	Note	2013	2012
Balance at 1 April		3,126,582	3,265,046
Total comprehensive income for the year			
- Deficit for the year	9	(308,883)	(138,464)
- Other comprehensive income		-	-
Balance at 31 March		<u>2,817,699</u>	<u>3,126,582</u>

The notes on pages 7 to 16 are an integral part of these financial statements.

MARINE FISH SCHOLARSHIP FUND

(All amounts in Hong Kong dollars unless otherwise stated)

STATEMENT OF CASH FLOWS

		<u>Year ended 31 March</u>	
	Note	2013	2012
Net cash used in operating activities	10	<u>(371,575)</u>	<u>(221,825)</u>
Cash flows from investing activities			
Interest received		83,919	104,086
Proceeds from redemption of held-to-maturity investments	6	650,000	500,000
Purchases of held-to-maturity investments	6	-	(508,750)
Net (placement)/withdrawal of bank deposits with maturities of more than three months and within one year		<u>(300,000)</u>	<u>100,000</u>
Net cash generated from investing activities		<u>433,919</u>	<u>195,336</u>
Net increase/(decrease) in cash and cash equivalents		62,344	(26,489)
Cash and cash equivalents at beginning of the year		<u>189,907</u>	<u>216,396</u>
Cash and cash equivalents at end of the year	8	<u>252,251</u>	<u>189,907</u>

The notes on pages 7 to 16 are an integral part of these financial statements.

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. These financial statements have been approved for issue by the Trustee on 22 August 2013.

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”) and 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 standards, amendments and interpretations to existing HKFRS which are effective in 2012

The Hong Kong Institute of Certified Public Accountants has issued a number of new standards, amendments and interpretations to existing HKFRS which are mandatory for the Fund’s accounting year commencing on or after 1 April 2012. These new standards, amendments and interpretations do not have any impact on the Fund’s financial statements since they are not relevant to the Fund’s operations.

- (b) New standards, amendments and interpretations to existing HKFRS that are not yet effective and have not been early adopted by the Fund

Certain new standards, amendments and interpretations to existing HKFRS (collectively, the “Amendments”) have been published that are mandatory for the Fund’s accounting periods commencing on or after 1 April 2013. The following Amendments are relevant and applicable to the Fund; however, they have not been early adopted in these financial statements.

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) New standards, amendments and interpretations to existing HKFRS that are not yet effective and have not been early adopted by the Fund (Continued)

		Effective for the Fund's accounting periods commencing on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 April 2013
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities	1 April 2014
HKFRS 7 (Amendment)	Financial instruments: Disclosure – Offsetting financial assets and financial liabilities	1 April 2013
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date and transition disclosures	1 April 2015
HKFRS 9	Financial instruments	1 April 2015
HKFRS 13	Fair value measurement	1 April 2013

The Fund has commenced, but not yet completed, an assessment of the impact of the applicable Amendments on its results of operations and financial position. The Trustee is of the view that the impact on the financial statements would not be significant other than certain additional disclosures.

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 prevailing at the dates of the transactions and valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Interest-free loans

Interest-free loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets, except for those with maturities less than 12 months after the balance sheet date. These are classified as current assets.

Interest-free loans are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of interest-free loans is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of loans. The amount of the provision for impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced and the amount of the provision is recognised in the statement of comprehensive income.

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)

2.4 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 with fixed or determinable payments and fixed maturities that the Trustee has the positive intention and ability to hold to maturity. If the Fund was to sell other than an insignificant amount of held-to-maturity investments, the whole category would be tainted and reclassified as available for sale. Held-to-maturity investments are included in non-current assets, except for those with maturities less than 12 months after the balance sheet date; these are classified as current assets.

Held-to-maturity investments are recognised initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of the investments is established when there is objective evidence that the investment issuers have a financial difficulty in paying the contractual amounts. The amount of the provision for impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced and the amount of the provision is recognised in the statement of comprehensive income.

(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. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Fund's loans and receivables comprise "interest-free loans", "accounts receivables", "bank deposits with maturities of more than three months and within one year" and "cash and cash equivalents" in the balance sheet (notes 2.3 and 2.5).

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

2.5 Cash and cash equivalents

Cash and cash equivalents include bank balances and bank deposits with original maturities of three months or less.

2.6 Impairment of financial assets carried at amortised cost

The Fund assesses at each balance sheet date 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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 (Continued)

For loans and receivables category, 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 the statement of comprehensive income.

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 the statement of comprehensive income.

2.7 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.

2.8 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.

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.

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)

3.1 Financial risk factors (Continued)

(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 the interest-free loans, held-to-maturity investments and deposits at banks.

In respect of the interest-free loans receivables, individual evaluations are performed on all borrowers. For each loan granting, the Fund has policy to assess the eligibility of the granting. Besides, in order to minimise the credit risk resulting from counterparty default, the Fund has policy to ensure that follow-up action is taken to recover overdue debts and will make specific provision for those balances which cannot be recovered. In the opinion of the Trustee, the credit risk is considered to be low.

The credit risk on liquid funds and held-to-maturity investments are limited because the counterparties are banks and bonds issuers 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 2013, the maturity analysis of the financial liabilities is as follows:

	2013	2012
Less than one year		
Accruals	30,423	31,324

(d) Cash flow interest rate risk

Other than the bank deposits, the Fund has no other significant interest-bearing assets and liabilities. The held-to-maturity investments carry at a fixed coupon rate. 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 loans and 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.

4 Critical accounting estimates and judgements

Estimates and judgements 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Held-to-maturity investments

The Trustee follows the guidance of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" ("HKAS 39") on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Trustee evaluates its intention and ability to hold such investments to maturity.

If the Trustee fails to keep these investments to maturity other than for specific circumstances as explained in HKAS 39, it will be required to reclassify the whole class as available-for-sale financial assets. The investments would therefore be measured at fair value instead of amortised cost.

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:

	Held-to- maturity investments	Loans and receivables	Total
Assets			
<u>31 March 2013</u>			
Held-to-maturity investments (Note 6)	2,026,511	-	2,026,511
Accounts receivables	-	19,360	19,360
Bank deposits with maturities of more than three months and within one year	-	550,000	550,000
Cash and cash equivalents (Note 8)	-	252,251	252,251
	<u>2,026,511</u>	<u>821,611</u>	<u>2,848,122</u>
<u>31 March 2012</u>			
Held-to-maturity investments (Note 6)	2,688,335	-	2,688,335
Accounts receivables	-	29,664	29,664
Bank deposits with maturities of more than three months and within one year	-	250,000	250,000
Cash and cash equivalents (Note 8)	-	189,907	189,907
	<u>2,688,335</u>	<u>469,571</u>	<u>3,157,906</u>
		2013	2012
Financial liabilities - other financial liabilities at amortised cost			
Accruals		<u>30,423</u>	<u>31,324</u>

6 Held-to-maturity investments

	2013	2012
Listed in Hong Kong, at amortised cost	1,508,143	2,162,159
Unlisted, at amortised cost	518,368	526,176
	<u>2,026,511</u>	<u>2,688,335</u>
Less: current portion of held-to-maturity investments	(1,000,050)	(652,519)
Non-current portion	<u>1,026,461</u>	<u>2,035,816</u>

MARINE FISH SCHOLARSHIP FUND

(All amounts in Hong Kong dollars unless otherwise stated)

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

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

	2013	2012
At 1 April	2,688,335	2,696,379
Addition	-	508,750
Redemption	(650,000)	(500,000)
Amortisation	(11,824)	(16,794)
	<u>2,026,511</u>	<u>2,688,335</u>
At 31 March	2,026,511	2,688,335
Less: current portion of held-to-maturity investments	(1,000,050)	(652,519)
	<u>1,026,461</u>	<u>2,035,816</u>
Non-current portion	<u>1,026,461</u>	<u>2,035,816</u>

The Fund has not reclassified any financial assets measured amortised cost rather than fair value during the year (2012: nil).

There were no gains or losses realised on the redemption of held-to-maturity investments in 2013 and 2012, as all the financial assets were redeemed at their redemption date.

The fair value of held-to-maturity investments is based on quoted market bid prices as at balance sheet date (2013: HK\$2,060,360; 2012: HK\$2,753,771).

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 Interest-free loans

	2013	2012
Balance at 1 April and 31 March	21,000	21,000
Less: provision for impairment of interest-free loans	(21,000)	(21,000)
	<u>-</u>	<u>-</u>
	-----	-----
Less: accumulated amortisation at 1 April and 31 March	-	-
	<u>-</u>	<u>-</u>
	-----	-----
Interest-free loans - net	<u>-</u>	<u>-</u>
	=====	=====

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

NOTES TO THE FINANCIAL STATEMENTS

7 Interest-free loans (Continued)

As at 31 March 2013, no interest-free loan (2012: HK\$Nil) was past due but not impaired. The Fund does not hold any collateral over these balances.

The interest-free loans are denominated in Hong Kong dollars at 31 March 2013 and 2012.

The maximum exposure to credit risk at the reporting date is the fair value of the receivables mentioned above.

8 Cash and cash equivalents

	2013	2012
Bank balances and maximum exposure to credit risk	<u>252,251</u>	<u>189,907</u>

The carrying amount of cash and cash equivalents is denominated in Hong Kong dollars at 31 March 2013 and 2012.

9 Funds

	Capital allocated by the Fish Marketing Organization (Note)	Accumulated deficit	Total funds
Balance at 1 April 2011	6,500,000	(3,234,954)	3,265,046
Total comprehensive income	-	(138,464)	(138,464)
	<u>6,500,000</u>	<u>(3,373,418)</u>	<u>3,126,582</u>
Balances at 31 March 2012 and 1 April 2012	6,500,000	(3,373,418)	3,126,582
Total comprehensive income	-	(308,883)	(308,883)
	<u>6,500,000</u>	<u>(3,682,301)</u>	<u>2,817,699</u>
Balance at 31 March 2013	<u>6,500,000</u>	<u>(3,682,301)</u>	<u>2,817,699</u>

Note:

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

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

NOTES TO THE FINANCIAL STATEMENTS

10 Net cash used in operating activities

	2013	2012
Deficit for the year	(308,883)	(138,464)
Adjustments for:		
- Interest income on held-to-maturity investments	(68,472)	(99,800)
- Interest income on bank deposits	(5,143)	(355)
- Amortisation of held-to-maturity investments	11,824	16,794
	<u>(370,674)</u>	<u>(221,825)</u>
Changes in working capital:		
- Accruals	(901)	-
	<u>(371,575)</u>	<u>(221,825)</u>