

**MARINE FISH SCHOLARSHIP FUND REPORT**  
**FOR THE PERIOD FROM 1 APRIL 2016 TO 31 MARCH 2017**

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 2016-17, aggregate income including interest income on held-to-maturity investments and bank deposits was \$35,341 whilst the total expenditure amounted to \$172,897. The deficit for the year was \$137,556.

**Awards of Scholarships, Grants and Loans**

5. During 2016-17, a total of \$136,000 was awarded to 4 students studying various courses at local universities and 6 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 2016-17 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 2017**

**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 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity 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 2017, 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 (“HKASs”) 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

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 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**  
Certified Public Accountants

Hong Kong, 10 August 2017

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

**BALANCE SHEET**

	Note	<b>As at 31 March</b>	
		<b>2017</b>	<b>2016</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Held-to-maturity investments	6	-	497,700
		-----	-----
<b>Current assets</b>			
Held-to-maturity investments	6	498,906	502,842
Accounts receivables		6,726	4,094
Bank deposits with original maturities over three months		3,864,675	3,452,847
Cash and cash equivalents	8	204,850	254,172
		-----	-----
		4,575,157	4,213,955
		-----	-----
<b>Total assets</b>		4,575,157	4,711,655
		=====	=====
<b>FUNDS</b>			
Capital allocated by the Fish Marketing Organization	9	9,500,000	9,500,000
Accumulated deficit	9	(4,959,984)	(4,822,428)
		-----	-----
<b>Total funds</b>		4,540,016	4,677,572
		-----	-----
<b>LIABILITIES</b>			
<b>Current and total liabilities</b>			
Accruals		35,141	34,083
		-----	-----
<b>Total funds and liabilities</b>		4,575,157	4,711,655
		=====	=====

The notes on pages 8 to 16 are an integral part of these financial statements.

The financial statements on pages 4 to 16 were approved by the Trustee on 10 August 2017.

LEUNG Siu-fai

\_\_\_\_\_  
 Trustee

Hong Kong

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

**STATEMENT OF COMPREHENSIVE INCOME**

	Note	<u>Year ended 31 March</u>	
		2017	2016
<b>Income</b>			
Interest income on held-to-maturity investments		6,579	15,716
Interest income on bank deposits		27,562	18,312
Sundry income		1,200	730
		<hr/>	<hr/>
		35,341	34,758
		<hr/>	<hr/>
<b>Expenditure</b>			
Auditor's remuneration		(33,000)	(32,000)
Scholarships		(136,000)	(356,000)
Amortisation of held-to-maturity investments	6	(1,636)	(3,027)
Bank charges		(2,261)	(2,281)
		<hr/>	<hr/>
		(172,897)	(393,308)
		<hr/>	<hr/>
<b>Deficit for the year</b>		(137,556)	(358,550)
<b>Other comprehensive income for the year</b>		-	-
		<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>		(137,556)	(358,550)
		<hr/>	<hr/>

The notes on pages 8 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	2017	2016
<b>Balance at 1 April</b>		4,677,572	5,036,122
Total comprehensive loss for the year			
- Deficit for the year	9	(137,556)	(358,550)
- Other comprehensive income		-	-
<b>Balance at 31 March</b>		<u>4,540,016</u>	<u>4,677,572</u>

The notes on pages 8 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**

	Note	<u>Year ended 31 March</u>	
		2017	2016
<b>Net cash used in operating activities</b>	10	(169,003)	(366,980)
<b>Cash flows from investing activities</b>		-----	-----
Interest received		31,509	32,058
Proceeds from redemption of held-to-maturity investments	6	500,000	500,000
Net placement of bank deposits with original maturities over three months		(411,828)	(222,847)
Net cash generated from investing activities		119,681	309,211
<b>Net decrease in cash and cash equivalents</b>		(49,322)	(57,769)
Cash and cash equivalents at beginning of the year		254,172	311,941
<b>Cash and cash equivalents at end of the year</b>	8	204,850	254,172

The notes on pages 8 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.

#### **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 standards, amendments and interpretations to existing HKFRS (collectively, the “Amendments”) effective from 1 April 2016

The following Amendments that are relevant and have been adopted by the Fund for the first time for the financial year beginning on 1 April 2016:

- Annual improvements to HKFRSs 2012 – 2014 cycle, and
- Disclosure initiative – amendments to HKAS 1.

The adoption of these Amendments did not have any impact on the current year or any prior year and is not likely to affect future years.

## **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 and relevant Amendments that are not yet effective and have not been early adopted by the Fund

Certain new and relevant Amendments have been published that are mandatory for the Fund's accounting periods commencing on or after 1 April 2017, and have not been applied in preparing these financial statements:

Amendments to HKAS 7  
HKFRS 9

Statement of cash flows<sup>1</sup>  
Financial instruments - Financial liabilities<sup>2</sup>

Notes:

(1) Effective for the Fund's first financial period beginning on 1 April 2017  
(2) Effective for the Fund's first financial period beginning on 1 April 2018

The Fund will apply these Amendments in the year of initial application. The Fund is currently assessing the impact of the adoption of the Amendments and is not yet in a position to state whether they would 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 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.

## **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 Interest-free loans (Continued)**

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.

##### **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 are detailed in note 5.

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

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

## **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 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.

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 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 and fair value 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 the held-to-maturity investments and deposits at banks.

The credit risk on held-to-maturity investments and liquid funds 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 2017 and 2016, the maturity analysis of the financial liabilities is as follows:

	2017	2016
<b>Less than one year</b>		
Accruals	35,141	34,083

###### **(d) Cash flow and fair value 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 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 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:

	<b>Held-to-maturity investments</b>	<b>Loans and receivables</b>	<b>Total</b>
<b>Assets</b>			
<u><b>31 March 2017</b></u>			
Held-to-maturity investments (Note 6)	498,906	-	498,906
Accounts receivables	-	6,726	6,726
Bank deposits with original maturities over three months	-	3,864,675	3,864,675
Cash and cash equivalents (Note 8)	-	204,850	204,850
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	498,906	4,076,251	4,575,157
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
<u><b>31 March 2016</b></u>			
Held-to-maturity investments (Note 6)	1,000,542	-	1,000,542
Accounts receivables	-	4,094	4,094
Bank deposits with original maturities over three months	-	3,452,847	3,452,847
Cash and cash equivalents (Note 8)	-	254,172	254,172
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	1,000,542	3,711,113	4,711,655
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
		2017	2016
<b>Financial liabilities - other financial liabilities at amortised cost</b>			
Accruals		35,141	34,083
		<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
<b>6 Held-to-maturity investments</b>			
		2017	2016
Listed in Hong Kong, at amortised cost	498,906	1,000,542	
Less: Current portion of held-to-maturity investments	(498,906)	(502,842)	
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	
Non-current portion	-	497,700	
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	

**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 is summarised as follows:

	2017	2016
At 1 April	1,000,542	1,503,569
Redemption	(500,000)	(500,000)
Amortisation	(1,636)	(3,027)
	<hr/>	<hr/>
At 31 March	498,906	1,000,542
Less: Current portion of held-to-maturity investments	(498,906)	(502,842)
	<hr/>	<hr/>
Non-current portion	-	497,700
	<hr/>	<hr/>

The Fund has not reclassified any financial assets measured amortised cost rather than fair value during the year (2016: nil).

There are no gains or losses realised on the redemption of held-to-maturity investments in 2017 and 2016, as all the financial assets are 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 (2017: HK\$499,550; 2016: HK\$1,001,200).

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**

	2017	2016
Balance at 1 April	-	21,000
Less: Repayment during the year	-	(21,000)
	<hr/>	<hr/>
Balance at 31 March	-	-
	<hr/>	<hr/>

As at 31 March 2017, there was no interest-free loan balance (2016: HK\$nil).

**8 Cash and cash equivalents**

	2017	2016
Bank balances and maximum exposure to credit risk	204,850	254,172
	<hr/>	<hr/>

The carrying amount of cash and cash equivalents is denominated in Hong Kong dollars at 31 March 2017 and 2016.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**9 Funds**

	Capital allocated by the Fish Marketing Organization (Note)	Accumulated deficit	Total funds
Balance at 1 April 2015	9,500,000	(4,463,878)	5,036,122
Total comprehensive loss	-	(358,550)	(358,550)
<hr/>	<hr/>	<hr/>	<hr/>
Balances at 31 March 2016 and 1 April 2016	9,500,000	(4,822,428)	4,677,572
Total comprehensive loss	-	(137,556)	(137,556)
<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	9,500,000	(4,959,984)	4,540,016
<hr/>	<hr/>	<hr/>	<hr/>

Note:

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

**10 Net cash used in operating activities**

	2017	2016
Deficit for the year	(137,556)	(358,550)
Adjustments for:		
- Interest income on held-to-maturity investments	(6,579)	(15,716)
- Interest income on bank deposits	(27,562)	(18,312)
- Amortisation of held-to-maturity investments	1,636	3,027
<hr/>	<hr/>	<hr/>
	(170,061)	(389,551)
Changes in working capital:		
- Interest-free loans	-	21,000
- Accruals	1,058	1,571
<hr/>	<hr/>	<hr/>
Net cash used in operating activities	(169,003)	(366,980)
<hr/>	<hr/>	<hr/>