

**MARINE FISH SCHOLARSHIP FUND REPORT**  
**FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021**

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, 2007-08 and 2014-15, the Fish Marketing Organization had further injected an additional \$0.5 million, \$1 million, \$3 million and \$3 million respectively into the Fund, thereby increasing its capital to \$9.5million.

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 2020-21, aggregate income including interest income on bank deposits was \$37,627 whilst the total expenditure amounted to \$671,685. The deficit for the year was \$634,058.

**Awards of Scholarships, Grants and Loans**

5. During 2020-21, a total of \$633,000 was awarded to 19 students studying various courses at local and overseas universities and 7 students pursuing senior secondary school education locally. Of this, \$614,000 was awarded as scholarships and \$19,000 as grants. No 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 2020-21 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 2021**



**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 14, which comprise:

- the balance sheet as at 31 March 2021;
- 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 2021, 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 ("HKSA") 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.



羅兵咸永道

**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)**

- 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.
- 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**  
Certified Public Accountants

Hong Kong,  **2 AUG 2021**

**MARINE FISH SCHOLARSHIP FUND**

(All amounts in Hong Kong dollars unless otherwise stated)

**BALANCE SHEET**

	Note	As at 31 March	
		2021	2020
<b>ASSETS</b>			
<b>Current assets</b>			
Other receivables		1,834	24,863
Bank deposits with original maturities over three months	5	-	3,140,000
Cash and cash equivalents	5	2,731,583	202,202
<b>Total assets</b>		<u>2,733,417</u>	<u>3,367,065</u>
<b>FUNDS</b>			
Capital allocated by the Fish Marketing Organization		9,500,000	9,500,000
Accumulated deficit		(6,804,543)	(6,170,485)
<b>Total funds</b>		<u>2,695,457</u>	<u>3,329,515</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals		37,960	37,550
<b>Total funds and liabilities</b>		<u>2,733,417</u>	<u>3,367,065</u>

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

The financial statements on pages 4 to 14 were approved by the Trustee on **2 AUG 2021**

  
Trustee

Hong Kong

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

**STATEMENT OF COMPREHENSIVE INCOME**

	<u>Year ended 31 March</u>	
	2021	2020
<b>Income</b>		
Interest income on bank deposits	36,727	75,709
Sundry income	900	1,400
	<u>37,627</u>	<u>77,109</u>
<b>Expenditure</b>		
Auditor's remuneration	(37,000)	(36,000)
Scholarships	(614,000)	(441,000)
Grants	(19,000)	(8,000)
Bank charges	(1,685)	(1,895)
	<u>(671,685)</u>	<u>(486,895)</u>
<b>Deficit for the year</b>	(634,058)	(409,786)
<b>Other comprehensive income for the year</b>	-	-
	<u>(634,058)</u>	<u>(409,786)</u>
<b>Total comprehensive loss for the year</b>	<u>(634,058)</u>	<u>(409,786)</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 2019</b>	9,500,000	(5,760,699)	3,739,301
<b>Total comprehensive loss</b> Deficit for the year	-	(409,786)	(409,786)
<b>Balances as at 31 March 2020 and 1 April 2020</b>	9,500,000	(6,170,485)	3,329,515
<b>Total comprehensive loss</b> Deficit for the year	-	(634,058)	(634,058)
<b>Balance as at 31 March 2021</b>	9,500,000	(6,804,543)	2,695,457

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**

	Note	<u>Year ended 31 March</u>	
		2021	2020
<b>Net cash used in operating activities</b>	6(a)	<u>(670,375)</u>	<u>(484,995)</u>
<b>Cash flows from investing activities</b>			
Interest received		59,756	61,863
Net withdrawal of bank deposits with original maturities over three months		<u>3,140,000</u>	<u>460,000</u>
Net cash inflow from investing activities		<u>3,199,756</u>	<u>521,863</u>
<b>Net increase in cash and cash equivalents</b>		<u>2,529,381</u>	<u>36,868</u>
Cash and cash equivalents at beginning of the year		202,202	165,334
<b>Cash and cash equivalents at end of the year</b>	5	<u><u>2,731,583</u></u>	<u><u>202,202</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 term collectively 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. There is no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

- (a) New standards, amendments and interpretation to existing 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 on 1 April 2020:

Conceptual framework for financial reporting 2018	Revised Conceptual Framework for Financial Reporting
HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKFRS 3 (Amendments)	Definition of a Business
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform

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

## 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 2021. The following Amendments are relevant and applicable to the Fund; however, they have not been early adopted in these financial statements:

HKFRS 16 (Amendments)	Covid-19-related Rent Concessions <sup>1</sup>
HKFRS 16 (Amendments)	Covid-19-related Rent Concessions beyond 30 June 2021 <sup>2</sup>
HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 (amendments) <sup>2</sup>
Annual Improvements Project	Annual Improvements to HKFRSs 2018-2020 (Amendments) <sup>3</sup>
HKFRS 3 (Amendments)	Reference to the Conceptual Framework <sup>3</sup>
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before Intended Use <sup>3</sup>
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract <sup>3</sup>
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current <sup>4</sup>
HKFRS 17	Insurance Contracts <sup>4</sup>
HK Int5 (2020)	Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayments on Demand Clause <sup>4</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>

Note:

- (1) Effective for the Fund's financial period beginning on or after 1 June 2020
- (2) Effective for the Fund's financial period beginning on 1 April 2021
- (3) Effective for the Fund's financial period beginning on 1 April 2022
- (4) Effective for the Fund's financial period beginning on 1 April 2023
- (5) Effective for the Fund's financial period beginning or after a date to be determined

The Fund will adopt the above Amendments as and when they become effective. The Fund has already commenced an assessment of the impact of these Amendments. According to the preliminary assessment made by the Fund, no significant impact on the financial performance and position of the Fund is expected when they become effective.

##### 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 Financial assets**

###### **(a) Classification**

The Trust classifies its financial assets as those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

###### **(b) Recognition and derecognition**

Regular way purchases and sale of financial assets are recognised on trade-date, the date on which the Trust 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 Trust has transferred substantially all the risks and rewards of ownership.

###### **(c) Measurement**

At initial recognition, the Trust measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in comprehensive income and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of comprehensive income.

###### **(d) Impairment**

The Trust assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment of other financial assets at amortised cost are measured as either 12-month expected or lifetime credit loss, depending on whether there has been a significant increase in credit risk since initial recognition.

##### **2.4 Receivables**

Receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Fund holds the receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

If collection of receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-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)**

##### **2.5 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.

##### **2.6 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.

##### **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 Interest income**

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the statement of comprehensive income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

##### **2.9 Sundry income**

Sundry income is recognised on an accruals basis.

##### **2.10 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

Credit risk includes risks resulting from counterparty default. It arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost and outstanding receivables.

The Fund's financial assets are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial as they are mainly deposited in reputable banks in Hong Kong.

For other financial assets at amortised cost, the Fund applies the HKFRS 9 general approach to measuring expected credit losses. The impairment provision is determined as 12-month expected credit losses as there was no significant increase in credit risk on these assets since initial recognition and reflected the forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables. No loss allowance provision was determined as at 31 March 2021 as the Trustee considered that the expected credit loss was immaterial.

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 2021 and 2020, the maturity analysis of the financial liabilities is as follows:

	2021	2020
<b>Less than one year</b>		
Accruals	<u>37,960</u>	<u>37,550</u>

**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)**

(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.

**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 years.

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 Financial instruments by category**

The Fund's financial instruments include the following:

	2021	2020
<b>Financial assets at amortised cost</b>		
Other receivables	1,834	24,863
Bank deposits with original maturities over three months	-	3,140,000
Cash and cash equivalents (Note 5)	2,731,583	202,202
	<u>2,733,417</u>	<u>3,367,065</u>
<b>Financial liabilities at amortised cost</b>		
Accruals	37,960	37,550
	<u>37,960</u>	<u>37,550</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

	2021	2020
Cash at banks	201,583	202,202
Bank deposits	2,530,000	3,140,000
	<u>2,731,583</u>	<u>3,342,202</u>
Less: Bank deposits with original maturity over three months	-	(3,140,000)
	<u>2,731,583</u>	<u>202,202</u>
Cash and cash equivalents in the balance sheet	<u>2,731,583</u>	<u>202,202</u>
Maximum exposure to credit risk	<u>2,731,583</u>	<u>3,342,202</u>

As at 31 March 2020, the effective interest rate on the bank deposits with original maturity over three months was 2.34%; these deposits had an average maturity of 242 days.

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

**6 Cash flow information**

(a) Cash used in operations

	2021	2020
Deficit for the year	(634,058)	(409,786)
Adjustment for:		
- Interest income on bank deposits	(36,727)	(75,709)
	<u>(670,785)</u>	<u>(485,495)</u>
Change in working capital:		
- Accruals	410	500
	<u>410</u>	<u>500</u>
Cash used in operations	<u>(670,375)</u>	<u>(484,995)</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.