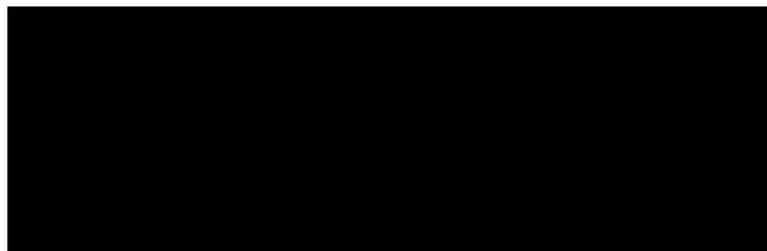


PROJECT: FISHERY & ECO, CONSERVATION PROGRAM (CHEUNG CHAU WATER)

(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2017 TO 30 APRIL 2018 (DATE OF COMPLETION)



**PROJECT: FISHERY & ECO, CONSERVATION PROGRAM (CHEUNG CHAU WATER)
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

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**PROJECT: FISHERY & ECO, CONSERVATION PROGRAM (CHEUNG CHAU WATER)
(PROJECT NUMBER: SFDF-0006)
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

FOR THE PERIOD FROM 1 APRIL 2017 TO 30 APRIL 2018 (DATE OF COMPLETION)

AUDITORS' REPORT TO THE COUNCIL OF ENVIRONMENTAL ASSOCIATION LIMITED

Pursuant to the Agreement made between the HKSAR Government and Environmental Association Limited, and the Sustainable Fisheries Development Fund ("SFDF") - Application Guidelines in respect of the SFDF project under the SFDF, we have performed a reasonable assurance engagement to report on whether Environmental Association Limited has complied with, in all material respects, the requirements set by the Director of Agriculture, Fisheries and Conservation ("DAFC") (including the requirements to keep proper books and records and to prepare proper interim accounts of Project: Fishery & Eco, Conservation Program (Cheung Chau Water) (the "Project") for the period from 1 April 2017 to 30 April 2018 (Date of Completion) on pages 4 to 8 (the "Project Accounts")), and all the terms and conditions of SFDF, as specified in the following documents:

- (a) the Agreement made between the HKSAR Government and Environmental Association Limited in respect of the Project and the appendices thereto (which includes the Project proposal);
- (b) the relevant "SFDF - Application Guidelines" referred to in the Agreement (the "Guide"); and
- (c) all instructions and correspondences issued by DAFC to Environmental Association Limited in respect of the Project.

Respective responsibilities of Environmental Association Limited and auditors

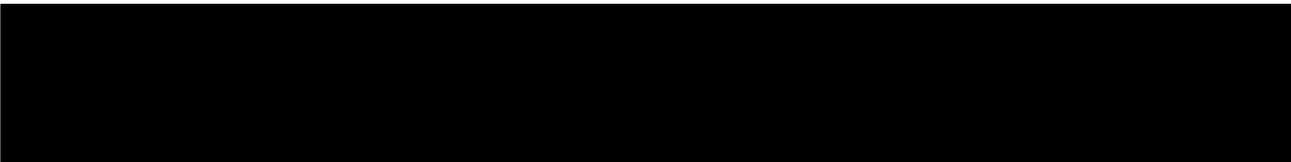
DAFC requires Environmental Association Limited to comply with the requirements set by him (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the above paragraph.

It is our responsibility to form an independent conclusion, based on our reasonable assurance engagement, and to report our conclusion to you.

Basis of conclusion

We conducted our reasonable assurance engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants and the latest Notes for Auditors of Recipient Organisations issued in May 2017 by the SFDF Secretariat.

Our reasonable assurance engagement includes examination, on a test basis, of evidence relevant to Environmental Association Limited's compliance with the requirements set by DAFC (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the above first paragraph. It also includes an assessment of the significant estimates and judgments made by Environmental Association Limited in the preparation of the Project Accounts, and of whether the accounting policies have followed the requirements of SFDF, consistently applied and adequately disclosed.



Basis of conclusion (continued)

We planned and performed our reasonable assurance engagement so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give our conclusion as to whether Environmental Association Limited has complied with, in all material respects, the requirements set by DAFC (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the above first paragraph. In forming our conclusion, we also evaluated the overall adequacy of the presentation of information in the Project Accounts. We believe that our reasonable assurance engagement provides a reasonable basis for our conclusion.

Conclusion

Based on the foregoing, in our opinion, Environmental Association Limited has complied with, in all material respects, the requirements set by DAFC (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the above first paragraph.

Use of this report

This report is intended for filing by Environmental Association Limited with the HKSAR Government, and is not intended to be, and should not be, used by anyone except the above two parties for any other purposes.



Certified Public Accountants (Practising)

Hong Kong

Date: 4 DEC 2018

**PROJECT: FISHERY & ECO, CONSERVATION PROGRAM (CHEUNG CHAU WATER)
(PROJECT NUMBER: SFDF-0006)
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD FROM 1 APRIL 2017 TO 30 APRIL 2018 (DATE OF COMPLETION)

	HK\$
Income	
Grant income	1,398,900.00
Interest income	34.87
	<hr/>
	1,398,934.87
Expenditure	
Seminar	
(i) Guest speaker fee	4,000.00
(ii) Venue renting	3,000.00
(iii) Fishermen allowance	4,400.00
(iv) Transportation fee	898.70
(v) Miscellaneous	285.40
Site visit and practice	
(i) Ecotour guide	2,000.00
(ii) Fishermen speaker	1,200.00
(ii) Fishing demonstration	1,700.00
(iii) Pleasure craft renting	5,000.00
(iv) Mariculture raft visit	600.00
(v) Fishermen allowance	4,400.00
(vi) Transportation fee	93.00
Visit and tour guide training	
(i) Guest speaker fee	2,000.00
(ii) Venue renting	4,140.00
(iii) Coach renting	4,000.00
(iv) Fishermen allowance	4,800.00
(v) Transportation fee	224.20
Vessel renting	606,000.00
Eco-tour guide	99,000.00
Fishermen guide	60,600.00
Fishermen helper	40,400.00
Mariculture raft renting	60,600.00
Mariculture raft guide	40,400.00
Fishing demonstration	171,700.00
Tour materials	3,300.00
Activity website and booking system	4,000.00
Transportation	3,501.20
Stationery	1,607.60
Photo finishing	84.80
Insurance (vessel, staff, participants and public liability)	23,765.70

PROJECT: FISHERY & ECO, CONSERVATION PROGRAM (CHEUNG CHAU WATER)
(PROJECT NUMBER: SFDF-0006)
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)

STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD FROM 1 APRIL 2017 TO 30 APRIL 2018 (DATE OF COMPLETION)

	HK\$
Postal expense	2,480.00
Auditor's remuneration	10,300.00
Printing, paper and ink	3,626.00
Cleaning and first-aid kit	960.00
Staff cost	314,467.13
	<hr/>
	(1,489,533.73)
	<hr/>
Deficit for the period	<u>(90,598.86)</u>

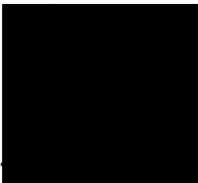
**PROJECT: FISHERY & ECO, CONSERVATION PROGRAM (CHEUNG CHAU WATER)
 (PROJECT NUMBER: SFDF-0006)
 (OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

STATEMENT OF FINANCIAL POSITION

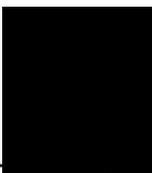
AS AT 30 APRIL 2018 (DATE OF COMPLETION)

	Note	HK\$
Current Assets		
Cash and cash equivalents	3	<u>188,522.63</u>
Current Liabilities		
Accruals		(10,000.00)
Amount due to Environmental Association Limited	4	<u>(166,594.50)</u>
		(176,594.50)
Net Assets		<u><u>11,928.13</u></u>
 Represented by		
Retained earnings		102,526.99
Deficit for the period		(90,598.86)
Surplus on Completion	5	<u><u>11,928.13</u></u>

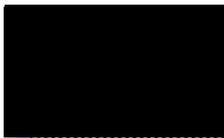
Approved by 04 DEC 2018



 Chairman



 Hon. Secretary



 Hon. Treasurer

**PROJECT: FISHERY & ECO, CONSERVATION PROGRAM (CHEUNG CHAU WATER)
(PROJECT NUMBER: SFDF-0006)
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 APRIL 2017 TO 30 APRIL 2018 (DATE OF COMPLETION)

	Note	HKS
Cash outflow from operating activities		
Operating deficit before working capital changes		(90,598.86)
Changes in amount due to Environmental Association Limited		<u>167,794.50</u>
Net cash generated from operating activities		<u>77,195.64</u>
Net increase in cash and cash equivalents		77,195.64
Cash and cash equivalents at beginning of period		<u>111,326.99</u>
Cash and cash equivalents at end of period	3	<u>188,522.63</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

PROJECT: FISHERY & ECO, CONSERVATION PROGRAM (CHEUNG CHAU WATER)
(PROJECT NUMBER: SFDF-0006)
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)

NOTES TO ACCOUNTS

FOR THE PERIOD FROM 1 APRIL 2017 TO 30 APRIL 2018 (DATE OF COMPLETION)

1. General information

The project is set up to help fishermen develop concept of ecotourism and recreational fisheries through fishermen training and practices; and create employment opportunities and provide alternative livelihoods to the fishermen and raise their income.

The project is operated by Environmental Association sponsored by Sustainable Fisheries Development Fund.

2. Significant accounting policies

(a) Basis of preparation

The financial statements of the Project have been prepared in accordance with Hong Kong Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants, and accounting principles generally accepted in Hong Kong. The financial statements have been prepared under the historical cost convention.

(b) Income Recognition

Grant income is recognized when the project has met the prescribed milestones and DAFC is satisfied with its progress for the approval of grant.

(c) Expenses

All expenses are recorded in the statement of income and expenditure on accrual basis.

(d) Cash and cash equivalent

Cash and cash equivalents include cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Cash and cash equivalent

At 30/4/2018

HKS

Bank balance

188,522.63

4. Amount due to Environmental Association Limited

The amount due to Environmental Association Limited refers to the money borrowed from the Association for the Project's daily operations which is unsecured, interest-free and has no fixed terms of repayment.

**PROJECT: FISHERY & ECO, CONSERVATION PROGRAM (CHEUNG CHAU WATER)
(PROJECT NUMBER: SFDF-0006)
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

NOTES TO ACCOUNTS

FOR THE PERIOD FROM 1 APRIL 2017 TO 30 APRIL 2018 (DATE OF COMPLETION)

5. Surplus on Completion

Any surplus, with interest accrued up to date of refund, it to be refunded to the Government in accordance with the Agreement.

----- End of Notes -----