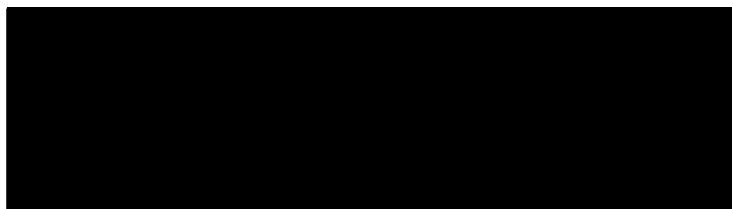


PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)

(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018  
(COMPLETION DATE)



**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

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**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

**FOR THE PERIOD FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018 (COMPLETION DATE)**

**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: Fishermen culture and Eco guide training program (Northeastern Water) (the "Project") for the period from 1 February 2017 to 31 January 2018 (Completion date) on pages 4 to 7 (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.

**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

**FOR THE PERIOD FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018 (COMPLETION DATE)**

**AUDITORS' REPORT TO THE COUNCIL OF ENVIRONMENTAL ASSOCIATION LIMITED (CONTINUED)**

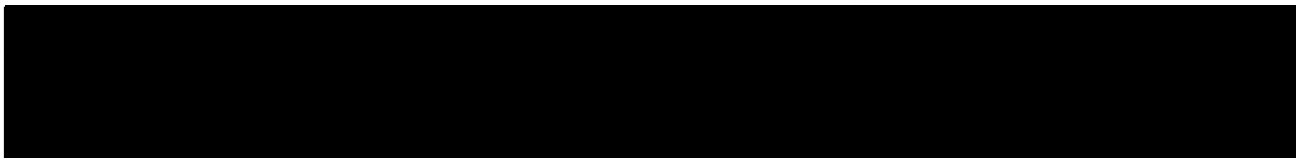
**Basis of conclusion (continued)**

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.

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.



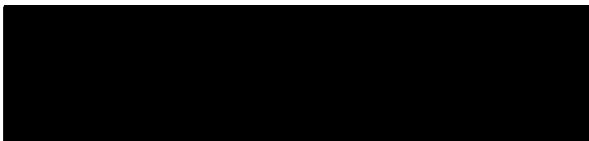
**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

**FOR THE PERIOD FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018 (COMPLETION  
DATE)**

**AUDITORS' REPORT TO THE COUNCIL OF ENVIRONMENTAL ASSOCIATION  
LIMITED (CONTINUED)**

**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: 10 JUL 2018

**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

**STATEMENT OF INCOME AND EXPENDITURE**

**FOR THE PERIOD FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018 (COMPLETION DATE)**

**HKS**

**Income**

Bank interest	14.07
Grant income	1,174,800.00
	1,174,814.07

**Expenditure**

Training for tour guide	
A. 1st day training: seminar	
1 Guest speaker fee	2,000.00
2 Fishermen allowance (including \$150.00 for training allowance and \$50.00 for meal allowance)	5,200.00
B. 2nd day training: seminar	
3 Guest speaker fee	2,000.00
4 Fee for fishermen as tour guide and for demonstration	-
5 Technical workshop for organizing and arranging tour	3,750.00
6 Fishermen allowance (including \$150.00 for training allowance and \$50.00 for meal allowance)	4,200.00
C. 3rd day training: seminar	
7 Ecotour guide	840.00
8 Fishermen tour guide	840.00
9 Fisheries tour helper	600.00
10 Fishing demonstration (two of long lining, gill netting or cage trapping)	2,000.00
11 Vessel renting	3,500.00
12 Fee for visiting mariculture raft (including 25 trained fishermen and 5 extra quotas)	1,495.00
13 Fishermen allowance (including \$150.00 for training allowance and \$50.00 for meal allowance)	4,200.00
14 Transportation (between Tai Po Market Station and Sam Mun Tsai San Tsuen)	900.00
D. Presentation ceremony and book publication	
15 Presentation ceremony (refreshment, decoration, certificate)	12,132.40
16 Book publication	84,850.00
E. Employees expenditures	
17 Fishermen tour guide	79,800.00
18 Ecotour guide	75,600.00
19 Fisheries tour helper	57,000.00

**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

**STATEMENT OF INCOME AND EXPENDITURE**

**FOR THE PERIOD FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018 (COMPLETION DATE)**

	HK\$
20 Fishing demonstration	190,000.00
21 Project officer (administration and coordination)	154,316.12
22 Project officer (fishermen liaison)	126,000.00
F. Facilities	
23 Vessel renting	380,000.00
24 Fee for mariculture raft visit	158,730.00
25 Fishing operation and demonstration tools (fishing cage, fishing net, marine organism models)	2,590.00
G. Administrative expenditures	
26 Insurance (participants and public liability)	18,282.50
27 Activity website and booking system	-
28 Promotion	11,106.00
29 Photo finishing	245.90
30 Stationery	2,862.30
31 Auditing	10,000.00
H. Administration fee	
32 Telephone service	223.62
33 Internet service	1,029.60
34 Facsimile service	223.57
35 Photocopier rental service	1,567.46
36 Government rent for Tai Po Geoheritage Centre	-
37 Electricity expenditure	1,831.30
38 Water expenditure	34.04
39 Laptop computer and software	-
40 Desktop computer and software	-
41 On-board projector (Ricoh PJ WX4141NI)	-
42 Projector	-
43 Maintenance and improvement work for the show room, mariculture raft and fishing vessel of Tai Po Geoheritage Centre (e.g. lifejacket, lifebuoy, fire-extinguisher and other maritime safety facilities)	17,598.00
44 Uniform and name tag	-
45 Others	3,393.20
	<u>1,420,941.01</u>
<b>Deficit for the period</b>	<u><u>(246,126.94)</u></u>

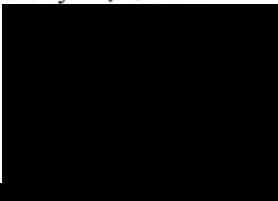

**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
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**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 JANUARY 2018 (COMPLETION DATE)**

	Note	HK\$
<b>Current Assets</b>		
Grand receivable from Sustainable Fisheries Development Fund		<u>391,600.00</u>
<b>Current Liabilities</b>		
Accruals		(10,000.00)
Amount due to Environmental Association Limited	4	<u>(358,500.16)</u>
		(368,500.16)
<b>Net Assets</b>		<u><u>23,099.84</u></u>
<b>Represented by</b>		
Retained earnings		269,226.78
Deficit for the period		<u>(246,126.94)</u>
Surplus on Completion		<u><u>23,099.84</u></u>

Approved by 10 JUL 2018

  
  
 Chairman

  
  
 Hon. Secretary

  
  
 Hon. Treasurer



**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

**STATEMENT OF CASH FLOWS**

**FOR THE PERIOD FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018 (COMPLETION DATE)**

	Note	HK\$
<b>Cash outflow from operating activities</b>		
Operating deficit before working capital changes		(246,126.94)
Increase in grant receivable from Sustainable Fisheries Development Fund		(391,600.00)
Increase in amount due to Environmental Association Limited		333,922.61
Net cash used in operating activities		<u>(303,804.33)</u>
<b>Net decrease in cash and cash equivalents</b>		(303,804.33)
<b>Cash and cash equivalents at beginning of period</b>		<u>303,804.33</u>
<b>Cash and cash equivalents at end of period</b>	3	<u>-</u>

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

**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
(OPERATED BY ENVIRONMENTAL ASSOCIATION LIMITED)**

**NOTES TO ACCOUNTS**

**FOR THE PERIOD FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018 (COMPLETION DATE)**

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 31/1/2018  
HK\$**

Bank balance

-

**PROJECT: FISHERMEN CULTURE AND ECO GUIDE TRAINING PROGRAM  
(NORTHEASTERN WATER) (PROJECT NUMBER: SFDF-0008)  
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**NOTES TO ACCOUNTS**

**FOR THE PERIOD FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018 (COMPLETION DATE)**

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.

5. Surplus on Completion

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

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