

Financial  
Statement  
財務報告



Finance Office

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10 Chater Road  
Central, Hong Kong

Dear Sirs

**City University of Hong Kong (“the University”)  
Improving Fish health and Production in Hong Kong (“the Project”)**

We confirm to the best of our knowledge and belief, the following representations given to you in connection with your reasonable assurance engagement of the final accounts of the Project for the period from 1 September 2018 (commencement date) to 31 December 2020 (completion date).

1. We are required to prepare accounts in accordance with the following documents:
  - the agreement dated 3 September 2018 and supplemental agreement dated 31 August 2020 made between the University and the Government of the Hong Kong Special Administrative Region in respect of the Project and the appendices thereto (which includes the Project proposal) (the “Agreement”);
  - the relevant Sustainable Fisheries Development Fund – Application Guidelines referred to in the Agreement; and
  - all instructions and correspondences issued by the Director of Agriculture, Fisheries and Conservation (DAFC) to the University in respect of the Project; andon the basis of the accounting policies as set out in note 2 to the accounts. In preparing those accounts, we:
  - select suitable accounting policies and then apply them consistently; and
  - make judgements and estimates that are prudent and reasonable.
2. We are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the income and expenditure and financial position of the Project. We are also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
3. We acknowledge our responsibility for such internal control as we determine necessary for the preparation of accounts that are free from material misstatement, whether due to fraud or error. In particular, we acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

We confirm that:


- a we understand the term “fraud” includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in the accounts to deceive accounts users. Misstatements resulting from misappropriation of assets involve the theft of a Project’s assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation; we also understand the term “error” is an unintentional misstatement in accounts, including the omission of an amount or a disclosure;

- b there has been no instance of fraud or suspected fraud that may have affected the Project involving:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the accounts.
  - c there have been no allegations of fraud or suspected fraud, affecting the Project's accounts communicated by employees, former employees or others;
  - d we have disclosed to you the results of our assessment of the risk that the accounts may be materially misstated as a result of fraud; and
  - e we are not aware of any deficiency in internal control.
4. All the accounting records and correspondences have been made available to you for the purpose of your reasonable assurance engagement, all the transactions undertaken in connection with the Project have been properly reflected and recorded in the accounting records and the accounts are free of material misstatements, including omissions.
  5. There are no other records or related information, including significant matters addressed and resolutions adopted by the Project team, which have not either been brought to your attention or made available to you.
  6. The statement of financial position includes all assets and liabilities of the Project required to be included therein and as shown in the books of account relating to the Project.
  7. We have in place a system of internal control to ensure that:
    - a there have been no irregularities involving any members of the Project team who have significant roles in the system of internal control;
    - b there have been no irregularities involving other members of the Project team that could have a material effect on the accounts;
    - c Sustainable Fisheries Development Fund disbursed to the University have been fully and properly applied to the Project for which they were paid;
    - d all the income and expenditure of the Project have been received / accrued and expended (paid) / accrued respectively in accordance with the basis of each budget item as set out in the budget included in the Project proposal, as subsequently amended and approved by the DAFC;
    - e all income received / receivable and expenditure incurred (paid or payable) for the Project during the period have been fully and properly (i) accounted for in accordance with the terms and conditions set out under paragraph 2 items (a), (b) and (c) of the Notes for Auditors of Recipient Organisations issued by the Secretariat of Sustainable Fisheries Development Fund in February 2019 ("the Notes"); and (ii) recorded in the books of accounts for the period;
    - f the purchases of equipment, goods and services have fully complied with the procurement guidelines and procedures stipulated in the relevant Sustainable Fisheries Development Fund – Application Guidelines set out under paragraph 6.17 – 6.21; and
    - g the accounts of the Project have been properly prepared from and are in agreement with the books of accounts of the Project.

8. We confirm that the University has complied with all of the matters referred to in paragraphs 7 (c) to (g) above during the period from 1 September 2018 (commencement date) to 31 December 2020 (completion date).

Yours faithfully

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Director of Finance



Prof. Sophie Natasha St-Hilaire  
Head of the Project



**City University of Hong Kong**

**Improving Fish Health and Production in  
Hong Kong**

Accounts for the period from 1 September 2018 to 31 December  
2020



**IMPROVING FISH HEALTH AND PRODUCTION IN HONG KONG  
FOR THE PERIOD FROM 1 SEPTEMBER 2018 (COMMENCEMENT  
DATE) TO 31 DECEMBER 2020 (COMPLETION DATE)**

**INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE PRESIDENT  
OF CITY UNIVERSITY OF HONG KONG**

Pursuant to the agreement made between City University of Hong Kong (“the University”) and the Government of the Hong Kong Special Administrative Region (“the Hong Kong SAR Government”) and the Sustainable Fisheries Development Fund (“SFDF”) - Application Guidelines in respect of the SFDF project under the SFDF dated 3 September 2018 (“the Agreement”), we have undertaken a reasonable assurance engagement on the final accounts of Improving Fish Health and Production in Hong Kong (“the Project”) (Project number: SFDF – 0031) as set out in pages 4 to 8 (“Project Accounts”) which comprise the income and expenditure statement, statement of financial position and cash flow statement for the period from 1 September 2018 (commencement date) to 31 December 2020 (completion date), and notes to the accounts.

**Respective responsibilities of the University**

Pursuant to the Agreement, the University is to comply with the requirements (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 following documents:

- (a) the agreement dated 3 September 2018 and supplemental agreement dated 31 August 2020 made between the University and the Hong Kong SAR Government in respect of the Project and the appendices thereto (which includes the Project proposal) (the “Agreement”);
- (b) the relevant “SFDF – Application Guidelines” referred to in the Agreement; and
- (c) all instructions and correspondences issued by the Director of Agriculture, Fisheries and Conservation (“DAFC”) to the University in respect of the Project.



IMPROVING FISH HEALTH AND PRODUCTION IN HONG KONG  
FOR THE PERIOD FROM 1 SEPTEMBER 2018 (COMMENCEMENT  
DATE) TO 31 DECEMBER 2020 (COMPLETION DATE)

**INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE PRESIDENT  
OF CITY UNIVERSITY OF HONG KONG (CONTINUED)**

**Quality control and independence**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Project Accounts, based on our work performed and to report our opinion.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the HKICPA and with reference to the Notes for Auditors of Recipient Organisations issued in August 2020 by the SFDF Secretariat (the "Notes"). We have planned and performed our work to obtain reasonable assurance for giving our opinion below.

Our engagement includes performing the procedures set out in the Notes and examination, on a test basis, of evidence supporting the requirements (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 Respective responsibilities of the University section have been complied with, in all material respects.

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

**Opinion**

Based on the foregoing, in our opinion, the University 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 Respective responsibilities of the University section.

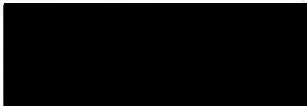


**IMPROVING FISH HEALTH AND PRODUCTION IN HONG KONG  
FOR THE PERIOD FROM 1 SEPTEMBER 2018 (COMMENCEMENT  
DATE) TO 31 DECEMBER 2020 (COMPLETION DATE)**

**INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE PRESIDENT  
OF CITY UNIVERSITY OF HONG KONG (CONTINUED)**

**Intended Users and Purpose**

This report is intended for filing with the Government of the Hong Kong SAR Government pursuant to the Agreement and is not intended to be, and should not be, distributed to or used by, anyone for any other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of our report.

  
Certified Public Accountants  
8<sup>th</sup> Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

30 APR 2021



## CITY UNIVERSITY OF HONG KONG

SFDF Ref No. : SFDF-0031

Project Title : Improving Fish Health and Production in Hong Kong

Project Investigator : Prof. Sophie Natasha St-Hilaire

City U Project No. : 9211152

Project Commencement : 1 September 2018

Project Completion : 31 December 2020

INCOME AND EXPENDITURE STATEMENT  
FOR THE PERIOD FROM 1 SEPTEMBER 2018 TO 31 DECEMBER 2020

	Note	Budget HK\$	Revision HK\$	Revised Budget HK\$	Accumulated Actual (01.09.18 to 31.12.20) HK\$	Actual (01.09.19 to 31.12.20) HK\$
<b>INCOME</b>						
Sustainable Fisheries Development Fund		4,940,069.00	-	4,940,069.00	4,700,000.00	3,125,000.00
Interest		-	-	-	49,111.04	24,733.57
<b>TOTAL INCOME</b>		<u>4,940,069.00</u>	<u>-</u>	<u>4,940,069.00</u>	<u>4,749,111.04</u>	<u>3,149,733.57</u>
<b>MANPOWER</b>						
Veterinarian		1,583,400.00	180,500.58	1,763,900.58	1,751,713.48	1,172,597.28
Technician for veterinary service		292,320.00	83,783.23	376,103.23	376,103.23	340,200.00
Technician for research		292,320.00	38,220.00	330,540.00	329,175.00	329,175.00
Administrative assistant for outreach		50,900.00	44,900.00	95,800.00	85,785.00	85,785.00
Expert consultant for outreach		178,150.00	(178,150.00)	-	-	-
	3	<u>2,397,090.00</u>	<u>169,253.81</u>	<u>2,566,343.81</u>	<u>2,542,776.71</u>	<u>1,927,757.28</u>
<b>GENERAL EXPENSES</b>						
<b><u>Veterinary Services</u></b>						
Personal protective equipment		20,150.00	11,626.00	31,776.00	18,399.10	12,122.10
PM/histo		604,500.00	(443,843.00)	160,657.00	152,347.00	70,290.00
PM/PCR		221,650.00	(31,580.00)	190,070.00	83,521.78	83,521.78
PM/bacteriology culture		50,375.00	69,630.00	120,005.00	20,955.00	7,200.00
Sensitivity analysis/ MIC analysis		161,200.00	(67,730.00)	93,470.00	41,910.00	23,030.00
Water quality tests		36,270.00	368,161.00	404,431.00	281,229.49	281,229.49
Parasitology tests		80,600.00	(29,250.00)	51,350.00	28,542.98	26,192.98
Miscellaneous expenses with pharmacy		35,000.00	126,965.41	161,965.41	22,363.49	16,162.73
<b><u>Research Projects</u></b>						
HPLC analysis of tissues		362,700.00	(204,180.00)	158,520.00	89,000.00	83,000.00
Monthly use of tanks and care of fish		60,450.00	61,032.00	121,482.00	11,616.46	11,616.46
Pharmaceuticals		20,150.00	99,861.90	120,011.90	20,150.00	20,138.10
Cost of fish		120,900.00	5,800.00	126,700.00	21,200.00	17,000.00
<b><u>Outreach Component</u></b>						
Continuing education sessions for veterinarians		151,500.00	(104,944.07)	46,555.93	23,969.17	7,413.24
Workshops for industry		201,500.00	(139,730.90)	61,769.10	1,769.10	-
Printing material		11,284.00	20,007.10	31,291.10	1,389.10	1,239.10
Consultant travel cost		50,450.00	(30,380.00)	20,070.00	70.00	-
Consultant subsistence cost		36,270.00	(36,270.00)	-	-	-
<b><u>Others</u></b>						
Consumables		60,450.00	37,841.90	98,291.90	66,646.36	52,491.16
Car rental		141,350.00	55,119.38	196,469.38	124,950.78	72,909.40
Petrol		42,405.00	8,734.47	51,139.47	37,544.57	35,706.47
Boat transportation		45,405.00	26,295.00	71,700.00	31,437.00	29,937.00
External audit		28,420.00	27,580.00	56,000.00	28,000.00	14,000.00
	4	<u>2,542,979.00</u>	<u>(169,253.81)</u>	<u>2,373,725.19</u>	<u>1,107,011.38</u>	<u>865,200.01</u>
<b>TOTAL EXPENDITURE</b>		<u>4,940,069.00</u>	<u>-</u>	<u>4,940,069.00</u>	<u>3,649,788.09</u>	<u>2,792,957.29</u>
<b>SURPLUS ON COMPLETION / CURRENT PERIOD</b>	5	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,322.95</u>	<u>356,776.28</u>

THE NOTES ON PAGES 7 AND 8 FORM PART OF THESE ACCOUNTS.

**CITY UNIVERSITY OF HONG KONG**

**SFDF Ref No. : SFDF-0031**

**Project Title : Improving Fish Health and Production in Hong Kong**

**Project Investigator : Prof. Sophie Natasha St-Hilaire**

**Project No. : 9211152**

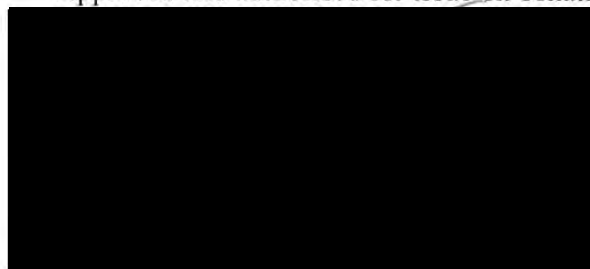
**Project Commencement : 1 September 2018**

**Project Completion : 31 December 2020**

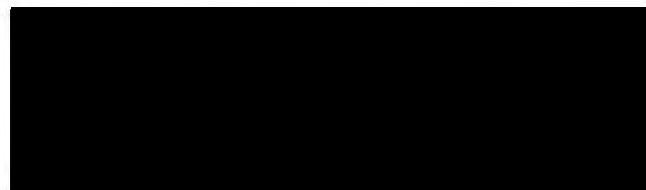
**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Note	HK\$
<b>ASSETS</b>		
Amount due from City University of Hong Kong		1,113,322.95
<b>LIABILITIES</b>		
Audit fee		14,000.00
<b>SURPLUS ON COMPLETION</b>	<b>5</b>	<u><u>1,099,322.95</u></u>

Approved and authorised for issue on behalf of City University of Hong Kong on **30 APR 2021**



Director of Finance



Prof. Sophie Natasha St-Hilaire  
Head of the Project

THE NOTES ON PAGES 7 AND 8 FORM PART OF THESE ACCOUNTS.

CITY UNIVERSITY OF HONG KONG

SFDF Ref No. : SFDF-0031

Project Title : Improving Fish Health and Production in Hong Kong

Project Investigator : Prof. Sophie Natasha St-Hilaire

Project No. : 9211152

Project Commencement : 1 September 2018

Project Completion : 31 December 2020

STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM 1 SEPTEMBER 2018 TO 31 DECEMBER 2020

	Current Period (01.09.19 to 31.12.20) HK\$	Previous Period (01.09.18 to 31.08.19) HK\$
<b>Cash flow from operating activities</b>		
Operating surplus from the project account	356,776.28	742,546.67
Increase in accrued audit fee	-	14,000.00
Increase in Amount due from City University of Hong Kong	(356,776.28)	(756,546.67)
<b>Net cash flow from operating activities</b>	-	-
<b>Net change in cash and cash equivalents</b>	-	-
<b>Cash and cash equivalents at beginning of period</b>	-	-
<b>Cash and cash equivalents at end of period</b>	-	-

THE NOTES ON PAGES 7 AND 8 FORM PART OF THESE ACCOUNTS.

## NOTES TO THE ACCOUNTS

### 1. Basis of Preparation of the Accounts

These accounts represent the final accounts of the Improving Fish Health and Production in Hong Kong (“the Project”) for the period from 1 September 2018 (commencement date) to 31 December 2020 (completion date), and have been prepared in accordance with the following documents:

- the agreement dated 3 September 2018 and supplemental agreement dated 31 August 2020 made between City University of Hong Kong (“the University”) and the Government of the Hong Kong Special Administrative Region in respect of the Project and the appendices thereto (which includes the Project proposal) (the “Agreement”);
- the relevant “SFDF – Application Guidelines” referred to in the Agreement; and
- all instructions and correspondences issued by the Director of Agriculture, Fisheries and Conservation (DAFC) to the University in respect of the Project.

The figures under the budget columns in the income and expenditure statement do not form part of the accounts but are included for information only.

### 2. Significant Accounting Policies

#### (a) *Income and expenditure*

Income and expenditure are recognised on an accrual basis.

#### (b) *Interest income*

Interest income from bank deposits, kept in the bank accounts of the University, is accrued on a time-proportioned basis on the principal outstanding relating to this Project, in accordance with the Guide to the Sustainable Fisheries Development Fund (“SFDF”).

#### (c) *Equipment*

Expenditure on equipment is recognised on an accrual basis and is charged in full to the income and expenditure statement in the period in which it is acquired.

**NOTES TO THE ACCOUNTS (CONTINUED)**

**3. Manpower**

Manpower costs include the salary (including employer's contribution to the Mandatory Provident Fund, but excluding allowances) incurred in the employment of the team members relating to this Project.

**4. Equipment**

The University adheres to its established standard procedures and general procedures in the Application Guidelines referred to the Agreement for procurement of equipment.

**5. Surplus on completion**

On completion of the Project, any deficit is to be absorbed by the University and any surplus is to be refunded to the SFDF in accordance with the Agreement.