

BLOOM ASSOCIATION HONG KONG LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2020



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BLOOM ASSOCIATION HONG KONG LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31st May 2020.

Principal activity

The Company is a non-profit organization dedicated to marine conservation. Its principal focuses are those issues that need urgent attention: the protection of the oceans, in particular, vulnerable species and habitats – sharks and the deep sea – as well as small-scale fishermen and the promotion of sustainable fisheries.

Results and appropriations

The results of the Company for the year are set out in the income and expenditure statement on pages 6 to 7. The state of affairs of the Company as at 31st May 2020 is set out in the statement of financial position on page 8.

Reserves

There were no movements in reserves except for changes to reserves which arose from surplus for the year.

Directors

The directors during the year and up to the date of this report were:

Andrew Jonathan RICKARDS

Lisa Katherine GENASCI

Yan Guy Pascal D'AURIOL

(appointed on 7th November 2019)

There being no provision in the Company's articles of association in connection with the retirement of directors by rotation, all existing directors continue in office for the following year.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

Permitted Indemnity Provisions

At no time during the year and up to the date of this report, was or is there any permitted indemnity provision being in force for the benefit of any of the directors of the company.

Business Review

The company falls within reporting exemption for the year and accordingly, the company is exempted from preparing the business review.

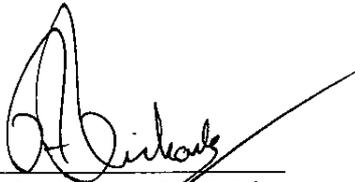
BLOOM ASSOCIATION HONG KONG LIMITED

REPORT OF THE DIRECTORS (continued)

Auditors

The financial statements have been audited by Messrs. S.M. CHAO & CO., who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'A. Rickards', written over a horizontal line.

Andrew Jonathan RICKARDS
Chairman

Hong Kong, 7th July 2020

S.M. CHAO & CO. CERTIFIED PUBLIC ACCOUNTANTS

趙善敏會計師事務所

35th floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong

香港灣仔港灣道 18 號中環廣場 35 樓

Tel: 2897 9299 Fax: 2559 3419

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLOOM ASSOCIATION HONG KONG LIMITED (incorporated in Hong Kong with limited liability by guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bloom Association Hong Kong Limited ("the Company") set out on pages 6 to 12, which comprise the statement of financial position as at 31st May 2020, and the income and expenditure statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance (Cap. 622).

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard 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 are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

0016

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Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap. 622), 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 skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

0017

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the directors' 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 Company'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 Company to cease to continue as a going concern.

We communicate with those charged with governance 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.



S.M. CHAO & CO.

Certified Public Accountants

35th floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong

Hong Kong: 7th July 2020

0018

BLOOM ASSOCIATION HONG KONG LIMITED

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST MAY 2020**

	Note	2020 HK\$	2019 HK\$
Income			
Donation received from ADM Capital Foundation		267,985	230,021
Donation received from The Pew Charitable Trust		561,768	350,961
Donation received from Agriculture, Fisheries and Conservation Department		11,300	47,500
Donation received for Hong Kong Reef Fish Survey (HKRFS) Project		655,750	851,250
Donation received from IUCN Groupers and Wrasses Specialist Group		-	15,600
Donation received from Hong Kong Shark Foundation		171,600	117,000
Donation received from Wildlife Conservation Society		102,207	181,109
Donation received from International Fund for Animal Welfare		32,162	-
Donation received from Humane Society of The United States		-	184,789
Donation received from National Geographic Society		-	300,313
Donation received from The Shark Conservation Fund of Rockefeller Philanthropy Advisors		2,804,802	1,484,249
Donation received from Kadoorie Farm & Botanic Garden		-	17,500
Donation received from Diving Adventure		-	3,700
Donation received from LUSH Live Central		-	7,181
Donation received from WWF Hong Kong		-	7,020
Donation received from Natural Resources Defense Council		-	38,792
Donation received from Research Foundation of Suny		-	469,628
Donation received from Blue Resources Trust		-	11,635
Donation received from Japan Wildlife Conservation Society		18,174	-
Donation received from TRAFFIC International		17,775	-
Donation received from Secretariat of the Pacific Regional Environment Programme		1,950	-
Donation received from Ocean Park Conservation Foundation, Hong Kong		117,537	-
Donations received – others		191,539	3,000
Interest income		4,187	1,092
Exchange gain		-	13,584
		<u>4,958,736</u>	<u>4,335,924</u>
Activities expenditure			
CITES related research projects and workshops		(347,440)	(835,539)
114E Hong Kong Reef Fish Survey		(551,363)	(677,052)
114E Hong Kong Reef Fish Project		(213,722)	(249,255)
Wildlife crime related research and projects		(1,524,927)	(409,521)
Live Reef Food Fish researches and projects		(123,170)	(68,450)
Fish Species Facebook Captions		(11,500)	(20,960)
IUCN grouper assessment workshop & education		(149,159)	-
		<u>(2,921,281)</u>	<u>(2,260,777)</u>

0019

BLOOM ASSOCIATION HONG KONG LIMITED**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST MAY 2020 (continued)**

	Note	2020 HK\$	2019 HK\$
General and administrative expenses			
Bank charges		(1,772)	(1,081)
Exchange loss		(24,389)	-
Insurance		(4,998)	(2,845)
MPF		(36,000)	(67,000)
Messing		(4,732)	(6,093)
Office supplies		(1,327)	(2,018)
Postage		-	(206)
Professional fees		(16,600)	(19,205)
Salaries		(1,182,000)	(1,008,000)
Stationery and office supplies		(280)	(19,510)
Translation		(8,000)	-
Travelling		(3,191)	(7,557)
		<u>(1,283,289)</u>	<u>(1,133,515)</u>
Surplus for the year	3	<u>754,166</u>	<u>941,632</u>

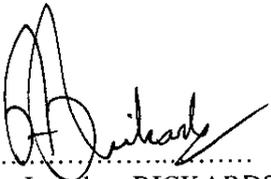
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

BLOOM ASSOCIATION HONG KONG LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST MAY 2020**

	Note	2020 HK\$	2019 HK\$
Current assets			
Cash at bank		2,341,573	1,681,514
Prepayment		94,110	-
		<u>2,435,683</u>	<u>1,681,514</u>
Current liabilities			
Accrued expenses		15,003	15,000
Other payable		1,833	1,833
		<u>16,836</u>	<u>16,833</u>
Net assets		<u>2,418,847</u>	<u>1,664,681</u>
Financed by:			
Reserves		<u>2,418,847</u>	<u>1,664,681</u>

Approved by the Board of Directors on 7th July 2020


.....
Andrew Jonathan RICKARDS
Director


.....
Lisa Katherine GENASCI
Director

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

0021

BLOOM ASSOCIATION HONG KONG LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MAY 2020**

	Reserves HK\$
Balance at 1st June 2019	1,664,681
Surplus for the year	<u>754,166</u>
Balance at 31st May 2020	<u><u>2,418,847</u></u>

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

BLOOM ASSOCIATION HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Reporting entity

Bloom Association Hong Kong Limited (the Company) is a company incorporated in Hong Kong with limited liability by guarantee and has its registered office at Suite 2405, 24/F., 9 Queens' Road Central, Hong Kong.

The Company is a non-profit organization dedicated to marine conservation. Its principal focuses are those issues that need urgent attention: the protection of the oceans, in particular, vulnerable species and habitats – sharks and the deep sea – as well as small-scale fishermen and the promotion of sustainable fisheries.

2 Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(b) Foreign currency translation

The reporting currency of the company is Hong Kong Dollars, which is the currency of the primary economic environment in which the company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(c) Employee benefit obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(d) Income recognition

Income from donations is recognized when cash is received.

Interest income is recognized as it accrues using the effective interest method.

0023

BLOOM ASSOCIATION HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Principal accounting policies

(e) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (i) A person or a close member of that person's family is related to the company if that person:
 - (a) is a member of the key management personnel of the company or of a parent of the company;
 - (b) has control over the company; or
 - (c) has joint control or significant influence over the company or has significant voting power in it.
- (ii) An entity is related to the company if any of the following conditions applies:
 - (a) the entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - (c) both entities are joint ventures of a third entity.
 - (d) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) the entity is a post-employment benefit plan for the benefit of employees of the company or an entity related to the company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - (f) the entity is controlled or jointly controlled by a person identified in (i).
 - (g) a person identified in (i)(a) has significant voting power in the entity.

3 Surplus for the year

	2020 HK\$	2019 HK\$
Surplus for the year is stated after charging the following:		
Staff costs	<u>1,218,000</u>	<u>1,075,000</u>

4 Directors' remuneration

None of the directors received or will receive any fees or emoluments in respect of their services to the company during the year. (2019: Nil)

0024

BLOOM ASSOCIATION HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5 Taxation

The Company is an approved charitable institution and it is exempted from Hong Kong tax under Section 88 of the Hong Kong Inland Revenue Ordinance.

6 Related party transactions

During the year, the Company had the following transactions with its related parties:

	2020 HK\$	2019 HK\$
Donations received from a related company	267,985	230,021
Donations paid to a related company	234,859	-
	<u>267,985</u>	<u>230,021</u>

One of the directors of the Company is a key management personnel of the related company

7 Approval of financial statements

These financial statements were authorised for issue by the Board of Directors on 7th July 2020.