

香 港 展 能 藝 術 會
ARTS WITH THE DISABLED ASSOCIATION HONG KONG

EXECUTIVE COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2016

F. S. Li & Co.
李福樹會計師事務所
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee members have pleasure in presenting their report together with audited financial statements of the Association for the year ended 31st March 2016.

PRINCIPAL ACTIVITIES

The Association is engaged in the promotion and co-ordination of arts and cultural activities for people with disabilities in Hong Kong and integration of people with disabilities into the community through arts and cultural activities.

ACCOUNTS

Results of the Association for the year ended 31st March 2016 and the state of the Association's affairs at that date are set out in the financial statements on pages 4 to 21.

PERMITTED INDEMNITY PROVISIONS

Permitted indemnity provisions are in force for the benefit of all Executive Committee members of the Association during the year and at the time of approval of this report.

EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members during the year were:

Lam Choi Chu, Ida (Chairperson)
Leung Wu Kwai Man, Olivia (Vice-Chairperson)
Yeung Tak Wah, JP (Vice-Chairperson)
Wong Kin Wah, Kenneth (Hon. Treasurer)
Choi Lui Yin (Hon. Secretary)
Kwong Lan Heung (Hon. Secretary)
Chang Thomp Kwan
Chau Man Ki, Mabel
Cheng Sim Yee, Grace
Kuo Chun Chuen
Lam Pui Man
Lam Wai Pong
Tsang Shun Yan, Anita
* Wong Kam Ling, William
Wong Yuen Ping, Estella
Wong Wing Yan, Donna
Tsui Po Yik (appointed on 25th September 2015)
Chiu Ka Mei (resigned on 25th September 2015)
Fong Cheung Fat (resigned on 5th December 2015)
Lee Ying, Lena (resigned on 1st April 2016)

According to Article 52 of the Association's Articles of Association, all Executive Committee members will retire at the annual general meeting to be held in 2016 and, being eligible, offer themselves re-election.

BUSINESS REVIEW

The Company qualifies for reporting exemption as a small guarantee company and is exempt from preparation of the business review.

MANAGEMENT CONTRACTS

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

On behalf of the Board



Lam Choi Chu, Ida
Chairperson

Hong Kong, 28th November 2016.

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

(incorporated in Hong Kong with liability limited by guarantee)

We have audited the financial statements of Arts with the Disabled Association Hong Kong set out on pages 4 to 21, which comprise the statement of financial position as at 31st March 2016, and the income statement, statement of comprehensive income, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Committee's responsibility for the financial statements

The Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of the financial statements that give a true and fair view 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee members, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31st March 2016, and of its financial performance and cash flows for the year then ended in accordance with HKFRSPE and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



F.S. Li & Co.
Certified Public Accountants

Hong Kong, 28th November 2016.

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016

	HK\$	<u>2016</u> HK\$	<u>2015</u> HK\$
INCOME			
Grant/Donations received (Note 4)		10,440,771	9,076,457
Workshop and other income for designated funds		1,554,552	1,356,771
Venue charges income		37,515	38,830
Dividend income - listed shares		82,309	73,292
Bank interest income		1,909	1,961
Membership subscriptions		3,200	10,500
Gain on foreign exchange		-	1,182
Sundry income		<u>20,101</u>	<u>51,966</u>
		12,140,357	<u>10,610,959</u>
NET ACTIVITIES SURPLUS/(DEFICIT)			
Net administrative fee income	151,443		130,014
Surplus from fund raising activities	1,659,544		318,384
Deficit from Community Development Programmes	(16,000)		(22,755)
Surplus in self financing programmes	804,050		996,760
Deficit in Signature Programmes	(132,622)		(96,649)
Surplus in Business Development Programmes	<u>-</u>		<u>4,532</u>
		2,466,415	<u>1,330,286</u>
		14,606,772	<u>11,941,245</u>
EXPENDITURE			
Staff costs			
Salaries and allowances	4,063,905		3,750,206
Mandatory provident fund contributions	187,246		173,512
Medical expenses	9,990		9,920
Staff training expenses	<u>15,161</u>		<u>17,781</u>
	4,276,302		3,951,419
Auditors' remuneration	29,000		36,500
Depreciation on property, plant and equipment	61,744		56,677
Lab rental expenses	29,925		35,210
Loss on disposal of property, plant and equipment	599		-
Loss on foreign exchange	25,909		-
Other administrative expenses	478,936		456,640
Expenditure for designated funds and other funds	<u>8,656,451</u>		<u>8,224,037</u>
		(13,558,866)	<u>(12,760,483)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>1,047,906</u>	<u>(819,238)</u>

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2016

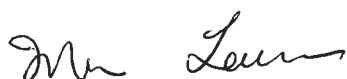
	<u>Note</u>	<u>2016</u> HK\$	<u>2015</u> HK\$
SURPLUS/(DEFICIT) FOR THE YEAR		1,047,906	(819,238)
OTHER COMPREHENSIVE EXPENSE			
Item that may be reclassified subsequently to surplus or deficit			
Decrease in fair value of available-for-sale investments during the year	13	<u>(137,799)</u>	<u>(19,584)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		<u>910,107</u>	<u>(838,822)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO:			
Accumulated Fund		(247,001)	(985,777)
Other Funds and Reserves		<u>1,157,108</u>	<u>146,955</u>
		<u>910,107</u>	<u>(838,822)</u>

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2016

	<u>Note</u>	HK\$	<u>2016</u> HK\$	<u>2015</u> HK\$
NON-CURRENT ASSETS				
Property, plant and equipment	9		147,856	89,350
Available-for-sale investments	10		1,908,905	1,999,608
			2,056,761	2,088,958
CURRENT ASSETS				
Accounts receivable, deposits and prepayments		1,239,406		779,580
Amount due from an affiliated company	11	437,362		19,795
Cash and bank balances		2,539,798		1,952,382
		4,216,566		2,751,757
Less: CURRENT LIABILITIES				
Accounts payable and accrued charges		747,938		225,309
Bank overdraft		-		124
		747,938		225,433
NET CURRENT ASSETS			3,468,628	2,526,324
NET ASSETS			5,525,389	4,615,282
<i>represented by:</i>				
FUNDS AND RESERVE				
Accumulated fund	12		4,182,929	4,506,443
Investment revaluation reserve	13		(25,423)	112,376
Scholarship fund	14		238,733	300,253
Staff development fund	15		356,426	282,040
Dr. Marion Fang Arts with the Disabled Memorial Fund	16		85,370	183,773
Designated funds	17		687,354	(769,603)
			5,525,389	4,615,282

These financial statements on pages 4 to 21 were approved by and authorised to issue by the Executive Committee on 28th November 2016.



Lam Choi Chu, Ida
Executive Committee member



Wong Kin Wah, Kenneth
Executive Committee member

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31ST MARCH 2016

	Investment		Scholarship		Staff	Dr. Marion Fang Arts with the Disabled		Designated		Total
	Accumulated	Revaluation	Fund	Fund	Development	Memorial	Fund	funds	funds	Total
	Fund	Reserve	HK\$	HK\$	Fund	Fund	Fund	HK\$	HK\$	HK\$
Balance at 31st March 2014	5,590,955	131,960	307,562	222,716	252,391	(1,051,480)	5,454,104			
(Deficit)/Surplus for the year	(985,777)	-	(7,309)	-	(68,618)	242,466	(819,238)			
Decrease in fair value of available-for-sale investments for the year	-	(19,584)	-	-	-	-	(19,584)			
Total comprehensive expense for the year ended 31st March 2015	(985,777)	(19,584)	(7,309)	-	(68,618)	242,466	(838,822)			
Fund transfer	(98,735)	-	-	59,324	-	39,411	-			
Balance at 31st March 2015	4,506,443	112,376	300,253	282,040	183,773	(769,603)	4,615,282			
(Deficit)/Surplus for the year	(247,001)	-	(61,520)	-	(98,403)	1,454,830	1,047,906			
Decrease in fair value of available-for-sale investments for the year	-	(137,799)	-	-	-	-	(137,799)			
Total comprehensive income for the year ended 31st March 2016	(247,001)	(137,799)	(61,520)	-	(98,403)	1,454,830	910,107			
Fund transfer	(76,513)	-	-	74,386	-	2,127	-			
Balance at 31st March 2016	4,182,929	(25,423)	238,733	356,426	85,370	687,354	5,525,389			

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016

	HK\$	<u>2016</u> HK\$	HK\$	<u>2015</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Surplus/(Deficit) for the year				
- Association's operations		(247,001)		(985,777)
- Other funds		<u>1,294,907</u>		<u>166,539</u>
		1,047,906		(819,238)
Adjustments for:				
Interest income		(1,909)		(1,961)
Dividend income		(82,309)		(73,292)
Loss on disposal of property, plant and equipment		599		-
Depreciation on property, plant and equipment		<u>61,744</u>		<u>56,677</u>
Operating surplus/(deficit) before working capital changes		1,026,031		(837,814)
(Increase)/Decrease in accounts receivable, deposits and prepayments		(459,451)		407,512
Increase in amount due from an affiliated company		(417,567)		(19,795)
Increase in accounts payable and accruals		<u>511,629</u>		<u>47,568</u>
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		660,642		(402,529)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,909		1,961	
Dividend received	81,934		72,981	
Purchase of available-for-sale investments	(47,096)		(48,563)	
Purchase of property, plant and equipment	<u>(109,849)</u>		<u>(35,753)</u>	
NET CASH USED IN INVESTING ACTIVITIES		<u>(73,102)</u>		<u>(9,374)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		587,540		(411,903)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>1,952,258</u>		<u>2,364,161</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>2,539,798</u></u>		<u><u>1,952,258</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		2,539,798		1,952,382
<u>Less: Bank overdraft</u>		<u>-</u>		<u>(124)</u>
		<u><u>2,539,798</u></u>		<u><u>1,952,258</u></u>

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

1. General

The Association is a company incorporated in Hong Kong under the Companies Ordinance and is limited by guarantee. The liability of each member is limited to the extent of an amount not exceeding the sum of HK\$10. The Association's registered office is at 4/F., Causeway Bay Community Centre, 7 Fook Yum Road, Causeway Bay, Hong Kong. The Association is engaged in the promotion and co-ordination of arts and cultural activities for people with disabilities in Hong Kong and integration of people with disabilities into the community through arts and cultural activities.

2. Basis of preparation

(a) Statement of compliance

These financial statements comply with all applicable sections of the Hong Kong Financial Reporting Standard for Private Entities issued by Hong Kong Institute of Certified Public Accountants and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

(b) Reporting exemption

The Association qualifies for the reporting exemption as a small guarantee company under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance.

3. Summary of significant accounting policies

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

(a) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases:

- (i) Membership subscriptions, grants/donations, venue charges income, administrative fee income, workshop income and other income for designated fund and receipts from programmes are recognised when the right to receive the income is established. Grants or donations relating to purchase of property, plant and equipment are set off against the acquisition cost of the assets.
- (ii) Dividend income is recognised when the shareholder's right to receive payment is established.
- (iii) Interest income is recognised as it accrues using the effective interest method.

3. Summary of significant accounting policies (continued)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less any government grant or private donation related to assets, less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of property, plant and equipment over their estimated useful lives using a straight line basis at 20 per cent per annum.

(c) Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Association 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 a reliable estimate of the amount can be made.

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks within 3 months to maturity from date of deposit, less bank overdrafts.

(e) Available-for-sale investments

Available-for-sale investments are non-derivatives that are either designated to this category or not classified in any of the other categories. They are intended to be held for long term purpose and are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period. Available-for-sale investments are initially recognised at fair value plus transaction costs. Gains and losses arise from changes in fair value are recognised directly in investment revaluation reserve, until the investment is derecognised or impaired at which time the cumulative gain or loss previously recognised in investment revaluation reserve is recognised in surplus or deficit. Available-for-sale investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less any impairment losses. Any impairment losses on available-for-sale investments are recognised in surplus or deficit. Impairment losses on available-for-sale investments will not be reversed in subsequent periods.

(f) Accounts receivable and deposits

Accounts receivable and deposits are initially recognised at transaction price and at each end of reporting period are stated at amortised cost less impairment losses for bad and doubtful debts unless the effect of discounting would be immaterial, in which case the receivables are stated at cost less impairment losses for bad and doubtful debts. A provision for impairment of receivables is made when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables. The impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the assets' original effective interest rate where the effect of discounting is material.

3. Summary of significant accounting policies (continued)

(g) Accounts payable and accruals

Accounts payable and accruals are initially recognised at transaction price and at each end of reporting date are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(h) Functional and presentation currency

The Association's functional and presentation currency is Hong Kong dollars.

(i) Assets held under operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases are charged to surplus or deficit on a straight line basis over the lease periods.

(j) Impairment losses

At each end of reporting period, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

(k) Retirement benefits schemes

The Association joins a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the scheme. Contributions are made based on percentage of the employees' basic salaries and are charged to surplus or deficit as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Association in an independently administered fund. The employer's contributions vest fully with the employees when contributed into the MPF Scheme.

**ARTS WITH THE DISABLED
ASSOCIATION HONG KONG**

Notes to the financial statements

4. Grant/Donations received

	<u>2016</u> HK\$	<u>2015</u> HK\$
For the Association		
The Swire Group Charitable Trust	1,500,000	1,500,000
Hong Kong Arts Development Council	385,000	315,000
Others	158,965	227,652
	<u>2,043,965</u>	<u>2,042,652</u>
For designated funds and other funds	8,396,806	7,033,805
	<u>10,440,771</u>	<u>9,076,457</u>

5. Rental expenses paid under operating leases

	<u>2016</u> HK\$	<u>2015</u> HK\$
Rental expenses paid under operating leases during the year	<u>355,837</u>	<u>353,210</u>

6. Total revenues

	<u>2016</u> HK\$	<u>2015</u> HK\$
Grant/Donations received	10,440,771	9,076,457
Workshop and other income for designated fund	1,554,552	1,356,771
Venue charges income	37,515	38,830
Dividend income	82,309	73,292
Bank interest income	1,909	1,961
Membership subscriptions	3,200	10,500
Sundry income	20,101	51,966
Gross receipts from the following items:		
Administrative fee income	123,958	117,550
Fund raising activities	1,810,674	881,050
Community development programmes	91,622	2,920
Self financed programmes	1,265,636	1,608,252
Business development programme	-	30,400
<u>Less: Reallocation of fund from fund raising activities to</u> Designated Funds and Business Development programme	<u>(33,600)</u>	<u>(187,923)</u>
	<u>15,398,647</u>	<u>13,062,026</u>

7. Executive Committee members' remuneration

The Executive Committee members did not receive and would not receive any remuneration or interests as mentioned in Section 383(1)(a), (b), (c) and (d) of the Hong Kong Companies Ordinance during the year (2015 - Same).

No consideration was provided to or receivable by third parties for services of the Executive Committee members or their services in other capacity while Executive Committee members.

8. Taxation

The Association is a charitable institution and is exempt from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance.

9. Property, plant and equipment

	<u>Furniture and fixtures</u> HK\$	<u>Office equipment</u> HK\$	<u>Total</u> HK\$
Cost			
At 31st March 2015	724,481	363,078	1,087,559
Additions	17,090	103,759	120,849
Disposals	(1,710)	-	(1,710)
	<u>739,861</u>	<u>466,837</u>	<u>1,206,698</u>
At 31st March 2016	739,861	466,837	1,206,698
Less: Amount financed by The Hong Kong Jockey Club Charities Trust			
At 31st March 2015 and 31st March 2016	(472,377)	-	(472,377)
	<u>267,484</u>	<u>466,837</u>	<u>734,321</u>
Carrying value at 31st March 2016			
Accumulated depreciation			
At 31st March 2015	218,770	307,062	525,832
Charge for the year	14,367	47,377	61,744
Written back on disposals	(1,111)	-	(1,111)
	<u>232,026</u>	<u>354,439</u>	<u>586,465</u>
At 31st March 2016	232,026	354,439	586,465
Net book value			
At 31st March 2016	<u>35,458</u>	<u>112,398</u>	<u>147,856</u>
At 31st March 2015	<u>33,334</u>	<u>56,016</u>	<u>89,350</u>

10. Available-for-sale investments

	<u>2016</u> HK\$	<u>2015</u> HK\$
Unit trust fund, at fair value	1,791,514	1,846,250
Hong Kong listed shares, at fair value	117,391	153,358
	<u>1,908,905</u>	<u>1,999,608</u>

11. Amount due from an affiliated company

	<u>Adam Arts Creation Limited</u>	
	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Balance at end of the year	<u>437,362</u>	<u>19,795</u>
Maximum amount outstanding during the year	<u>1,020,803</u>	<u>19,795</u>

The amounts due from the affiliated companies are unsecured and interest free, and there is no fixed repayment term.

The affiliated company is a company of which Mr. Lam Wai Pong and Ms. Lam Choi Chu, Ida are directors of that company.

12. Accumulated fund

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Balance at beginning of year	4,506,443	5,590,955
Deficit for the year	(247,001)	(985,777)
<u>Less:</u> Amount transferred to:		
Staff Development Fund (Note 15)	(74,386)	(59,324)
Designated Funds (Note 17)	<u>(2,127)</u>	<u>(39,411)</u>
Balance at end of year	<u>4,182,929</u>	<u>4,506,443</u>

13. Investment revaluation reserve

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Balance at beginning of year	112,376	131,960
Decrease in fair value of available-for-sale investments for the year	<u>(137,799)</u>	<u>(19,584)</u>
Balance at end of year	<u>(25,423)</u>	<u>112,376</u>

Investment revaluation reserve represents the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

14. Scholarship fund

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	300,253	307,562
Sponsorship received	10,000	4,587
<u>Less: Expenditures incurred</u>	<u>(71,520)</u>	<u>(11,896)</u>
Balance at end of year	<u><u>238,733</u></u>	<u><u>300,253</u></u>

The fund was established to account for an one-off donation from Ms. Ho Suet-mui and other income earned for distribution of scholarship to disabled artists/trainers of the Association.

15. Staff development fund

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	282,040	222,716
Amount transferred from accumulated fund	<u>74,386</u>	<u>59,324</u>
Balance at end of year	<u><u>356,426</u></u>	<u><u>282,040</u></u>

The fund was established to account for donations received and other income earned for payment of staff training development expenses incurred by the Association.

16. Dr. Marion Fang Arts with The Disabled Memorial Fund

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	183,773	252,391
Donations received	5,000	6,000
<u>Less: Expenditures incurred</u>	<u>(103,403)</u>	<u>(74,618)</u>
Balance at end of year	<u><u>85,370</u></u>	<u><u>183,773</u></u>

The objectives of the fund are:

- to promote the power of creativity and access to arts opportunities for people with disabilities;
- to develop potentials of people with disabilities and provide training and assistance as appropriate and desired by artists with disabilities in their endeavour to grow artistically; and
- to promote the creative power of people with disabilities through a vision of an inclusive community.

17. (a) Designated funds

	Reference	2015 HK\$	Grant/ Donation received HK\$	Workshop and other income HK\$	Expenditure HK\$	Net surplus/ (deficit) HK\$	Transfer to income and expenditure account/offsetting HK\$	2016 HK\$
Social Welfare Department - Community Based Support Project for People with Disabilities (Creativity to Independence) 2015-2017	(i)	98,481	1,223,913	149,444	(1,310,512)	62,845	-	161,326
Hong Kong Arts Development Council								
Cross All Borders 2015	(ii)	51,809	106,150	64,143	(222,102)	(51,809)	-	-
Cross All Borders 2016	(ii)	73,300	-	-	(32)	(32)	-	73,268
無聲天使的微笑	(iii)	-	-	-	-	-	-	-
生命的足跡 II	(iv)	26,080	6,520	24,248	(72,000)	(41,232)	-	(15,152)
視覺藝術巡迴展覽	(v)	55,000	-	-	-	-	-	55,000
The Hong Kong Jockey Club Charities Trust - Fitting out works of the Art Accessibility Service Centre	(vi)	(313,396)	99	-	(20,380)	(20,281)	-	(333,677)
The Hong Kong Jockey Club Charities Trust								
Inclusive Arts Project (CPG)	(vii)	658,089	1,997,300	221,726	(2,877,115)	(658,089)	-	-
Art Accessibility Service Centre	(vii)	(2,003,859)	950,832	140,635	(1,441,459)	(349,992)	-	(2,353,851)
Social Welfare Department and The Swire Group Charitable Trust - Partnership Fund for the Disadvantaged (PFD)								
- Junction of Art - Community Inclusion Project (2014-2015)	(viii)	100,207	-	-	(100,207)	(100,207)	-	-
John Fung Music Fund of the Asian Cultural Council								
- for visually-impaired rap musicians	(ix)	61,261	-	-	-	-	-	61,261
Home Affairs Bureau								
The 9th International Abilympics	(xii)	-	35,300	-	(35,300)	-	-	-
Home Affairs Department								
Enhancing Self-Reliance Through District Partnership Programme								
Operation	(xiii)	32,772	439,000	946,316	(1,390,419)	(5,103)	-	27,669
Capital expenditure	(xiii)	(209,988)	77,018	-	(46,841)	30,177	-	(179,811)
Lee Hysan Foundation								
Artist with Disability Development Scheme	(xiv)	339,858	659,267	-	(706,913)	(47,646)	-	292,212
Artists with Disabilities Ignition Scheme	(xv)	-	2,704,407	-	(364)	2,704,043	-	2,704,043
Swire Properties Ltd. - Starstreet Precinct								
Jack Li CX VIP Loung Exhibition & Souvenir	(xvi)	31,200	-	-	-	-	-	31,200
生命的足跡 II	(xvii)	37,400	-	-	(22,248)	(22,248)	-	15,152
「感·足」藝術及生命教育系列活動	(xviii)	92,183	-	8,040	(102,350)	(94,310)	2,127	-
Swire Properties Ltd. - Be a Mentor	(xix)	-	100,000	-	(5,086)	94,914	-	94,914
FIL Foundation								
Implementation of Salesforce CRM System	(xxii)	100,000	-	-	(75,000)	(75,000)	-	25,000
Shun Hing Education and Charity Fund Ltd								
Lee Sai Ho	(xxiii)	-	78,000	-	(49,200)	28,800	-	28,800
Social Welfare Department								
Keep Clean 2015@HK	(xxiv)	-	4,000	-	(4,000)	-	-	-
		<u>(769,603)</u>	<u>8,381,806</u>	<u>1,554,552</u>	<u>(8,481,528)</u>	<u>1,454,830</u>	<u>2,127</u>	<u>687,354</u>

17. (b) Designated funds (continued)

	Reference	2014 HK\$	Grant/ Donation received HK\$	Workshop and other income HK\$	Expenditure HK\$	Net surplus/ (deficit) HK\$	Transfer to income and expenditure account/offsetting HK\$	2015 HK\$
Social Welfare Department - Community Based Support Project for People with Disabilities (Creativity to Independence)								
2012-2014	(i)	28,690	656,123	63,914	(774,493)	(54,456)	25,766	-
2015-2017	(i)	-	305,978	5,170	(212,667)	98,481	-	98,481
Hong Kong Arts Development Council								
Cross All Borders 2013	(ii)	(368,741)	77,500	-	-	77,500	291,241	-
Cross All Borders 2014	(ii)	62,083	67,500	66,443	(195,187)	(61,244)	(839)	-
Cross All Borders 2015	(ii)	-	72,550	-	(20,741)	51,809	-	51,809
Cross All Borders 2016	(ii)	-	73,300	-	-	73,300	-	73,300
無聲天使的微笑	(iii)	26,017	7,260	21,856	(59,736)	(30,620)	4,603	-
生命的足跡 II	(iv)	-	26,080	-	-	26,080	-	26,080
視覺藝術巡迴展覽	(v)	-	55,000	-	-	55,000	-	55,000
The Hong Kong Jockey Club Charities Trust - Fitting out works of the Art Accessibility Service Centre	(vi)	(309,476)	7,870	-	(11,790)	(3,920)	-	(313,396)
The Hong Kong Jockey Club Charities Trust								
Operating Costs of Inclusive Arts Studio	(vii)	(803,423)	803,423	-	-	803,423	-	-
Inclusive Arts Project (CPG)	(vii)	387,763	1,997,300	225,285	(1,952,259)	270,326	-	658,089
Art Accessibility Service Centre	(vii)	(752,345)	259,843	257,313	(1,768,670)	(1,251,514)	-	(2,003,859)
Social Welfare Department and The Swire Group Charitable Trust - Partnership Fund for the Disadvantaged (PFD)								
- Junction of Art - Community Inclusion Project (2014-2015)	(viii)	-	240,000	15,125	(154,918)	100,207	-	100,207
John Fung Music Fund of the Asian Cultural Council								
- for visually-impaired rap musicians	(ix)	61,261	-	-	-	-	-	61,261
Providence Foundation Limited								
Cross All Borders 2013	(x)	300,000	-	-	-	-	(300,000)	-
Cross All Borders 2014	(x)	-	150,000	-	(159,598)	(9,598)	9,598	-
Home Affairs Bureau								
ACDFS Kevin Cheng Exhibition	(xi)	-	92,143	13,000	(114,185)	(9,042)	9,042	-
Home Affairs Department								
Enhancing Self-Reliance Through District Partnership Programme								
Operation	(xiii)	177,932	545,000	688,665	(1,378,825)	(145,160)	-	32,772
Capital expenditure	(xiii)	-	-	-	(209,988)	(209,988)	-	(209,988)
Lee Hysan Foundation								
Artist with Disability Development Scheme	(xiv)	93,759	659,267	-	(413,168)	246,099	-	339,858
Swire Properties Ltd. - Starstreet Precinct								
Jack Li CX VIP Lounge Exhibition & Souvenir	(xvi)	45,000	-	-	(13,800)	(13,800)	-	31,200
生命的足跡 II	(xvii)	-	37,400	-	-	37,400	-	37,400
「感·足」藝術及生命教育系列活動	(xviii)	-	150,523	-	(58,340)	92,183	-	92,183
Radio Television Hong Kong								
Gala Extraordinary-Stage of Ability 2014	(xx)	-	541,801	-	(541,801)	-	-	-
Rotary Club of HK Northwest								
Rotary Club HK Collaboration Project	(xxi)	-	97,357	-	(97,357)	-	-	-
FIL Foundation								
Implementation of Salesforce CRM System	(xxii)	-	100,000	-	-	100,000	-	100,000
		<u>(1,051,480)</u>	<u>7,023,218</u>	<u>1,356,771</u>	<u>(8,137,523)</u>	<u>242,466</u>	<u>39,411</u>	<u>(769,603)</u>

17. (c) Designated funds (continued)

<u>Name of Designated funds</u>	<u>Purposes</u>
(i) Social Welfare Department - Community Based Support Project for People with Disabilities (Creativity to Independence)	The fund was established to account for grant received from Social Welfare Department and other income earned for payment of expenses incurred for running the project "Creativity to Independence".
(ii) Hong Kong Arts Development Council - Cross All Borders 2013, 2014, 2015 and 2016	The fund was established to account for grants received from Hong Kong Arts Development Council for payment of expenses incurred for the Project Cross All Borders 2013, 2014, 2015 and 2016.
(iii) Hong Kong Arts Development Council - 無聲天使的微笑	The fund was established to account for grants received from Hong Kong Arts Development Council for payment of expenses for the project "無聲天使的微笑".
(iv) Hong Kong Arts Development Council - 生命的足跡 II	The fund was established to account for grants received from Hong Kong Arts Development Council for payment of expenses for the project "生命的足跡 II".
(v) Hong Kong Arts Development Council - 視覺藝術巡迴展覽	The fund was established to account for grants received from Hong Kong Arts Development Council for payment of expenses for the project "視覺藝術巡迴展覽".
(vi) The Hong Kong Jockey Club Charities Trust - Fitting out works of Art Accessibility Service Centre	The fund was established to account for donations received from the Hong Kong Jockey Club Charities Trust for payment of expenses incurred for Fitting-out work of Art Accessibility Service Centre.
(vii) The Hong Kong Jockey Club Charities Trust - Operating Costs of Inclusive Arts Studio - Inclusive Arts Project (CPG) - Art Accessibility Service Centre	The fund was established to account for donations received from the Hong Kong Jockey Club Charities Trust for payment of expenses incurred for Operating Costs of the Inclusive Arts Studio, Art Accessibility Service Centre, and Inclusive Art Project - (CPG).
(viii) Social Welfare Department and The Swire Group Charitable Trust - Partnership Fund for the Disadvantaged (PFD) - Junction of Art - Community Inclusion Project (2014-2015)	The fund was established to account for grants and donations received from Social Welfare Department and The Swire Group Charitable Trust for payment of expenses incurred for Junction of Art - Community Inclusion Project (2014-2015).

17. (c) Designated funds (continued)

<u>Name of Designated funds</u>	<u>Purposes</u>
(ix) John Fung Music Fund of the Asian Cultural Council - for visually-impaired rap musicians	The fund was established to account for donations received from John Fung Music Fund of the Asian Cultural Council for payment of expenses incurred for visually impaired rap musicians.
(x) Providence Foundation Ltd. - Cross All Borders 2013 and 2014	The fund was established to account for donations received from Providence Foundation Ltd. for payment of expenses incurred for Cross All Borders 2013 and 2014.
(xi) Home Affairs Bureau - ACDFS Kevin Cheng Exhibition	The fund was established to account for grants received from Home Affairs Bureau for payment of expenses incurred for ACDFS Kevin Cheng Exhibition.
(xii) Home Affairs Bureau - The 9th International Abilympics	The fund was established to account for grants received from Home Affairs Bureau for payment of expenses incurred for The 9th International Abilympics.
(xiii) Home Affairs Department - - Enhancing Self-Reliance Through District Partnership Programme Operation Capital expenditure	The fund was established to account for grants received from Home Affairs Department for payment of expenses incurred for Project-"Enhancing Self-Reliance Through District Partnership Programme".
(xiv) Lee Hysan Foundation - Artist with Disability Development Scheme	The fund was established to account for donation received from Lee Hysan Foundation for payment of expenses incurred for Artist with Disability Development Scheme.
(xv) Lee Hysan Foundation - Artists with Disabilities Ignition Scheme	The fund was established to account for donation received from Lee Hysan Foundation for payment of expenses incurred for Artists with Disabilities Ignition Scheme.
(xvi) Swire Properties Ltd. - Starstreet Precinct Jack Li CX VIP Loung Exhibition & Souvenir	The fund was established to account for donation received from Swire Properties Ltd. - Starstreet Precinct for payment of expenses incurred for Jack Li CX Loung Exhibition & Souvenir.
(xvii) Swire Properties Ltd. - Starstreet Precinct 生命的足跡 II	The fund was established to account for donation received from Swire Properties Ltd. - Starstreet Precinct for payment of expenses incurred for the project "生命的足跡 II".

17. (c) Designated funds (continued)

<u>Name of Designated funds</u>	<u>Purposes</u>
(xviii) Swire Properties Ltd. - Starstreet Precinct 「感·足」藝術及生命教育系列活動	The fund was established to account for donation received from Swire Properties Ltd. - Starstreet Precinct for payment of expenses incurred for the project "「感·足」藝術及生命教育系列活動".
(xix) Swire Properties Ltd. - Be a Mentor	The fund was established to account for donation received from Swire Properties Ltd. for payment of expenses incurred for the "Be A Mentor" project.
(xx) Radio Television Hong Kong Gala Extraordinary-Stage of Ability 2014	The fund was established to account for donation received from Radio Television Hong Kong for payment of expenses incurred for the project Gala Extraordinary-Stage of Ability 2014.
(xxi) Rotary Club of HK Northwest Rotary Club HK Collaboration Project	The fund was established to account for donation received from Rotary Club of HK Northwest for payment of expenses incurred for the Rotary Club HK Collaboration Project.
(xxii) FIL Foundation Implementation of Salesforce CRM System	The fund was established to account for donation received from FIL Foundation for payment of expenses incurred for the implementation of Salesforce CRM System.
(xxiii) Shun Hing Education and Charity Fund Ltd Lee Sai Ho	The fund was established to account for donation received from Shun Hing Education and Charity Fund Ltd for payment of expenses incurred for Mr. Lee Sai Ho.
(xxiv) Social Welfare Department Keep Clean 2015@HK	The fund was established to account for grants received from Social Welfare Department for payment of expenses incurred for Keep Clean 2015@HK Project.

18. Commitments under operating leases

At the end of reporting period, the Association had the following future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings:

	<u>2016</u> HK\$	<u>2015</u> HK\$
Not later than one year	317,558	358,994
Later than one year but not later than five years	-	317,558
	<u>317,558</u>	<u>676,552</u>

19. Categories of financial assets and liabilities

	<u>2016</u> HK\$	<u>2015</u> HK\$
<u>Financial assets:</u>		
Non-current assets		
Available-for-sale investments, at fair value	1,908,905	1,999,608
Current assets, at amortised cost		
Accounts receivable and deposits (excluding prepayment)	1,112,744	755,556
Cash and bank balances	<u>2,539,798</u>	<u>1,952,382</u>
	<u>5,561,447</u>	<u>4,707,546</u>
 <u>Financial liabilities - at amortised cost:</u>		
Current liabilities		
Accounts payable and accrued charges (excluding receipt in advance)	747,638	224,909
Bank overdraft	<u>-</u>	<u>124</u>
	<u>747,638</u>	<u>225,033</u>

20. Pledged of assets

At 31st March 2016, bank and available-for-sale investment balances in an aggregate sum of HK\$4,280,798 (2015 - HK\$3,700,263) were pledged to a bank to secure general banking facilities granted to the Association.

FOR MANAGEMENT INFORMATION PURPOSES ONLY

Appendix 1

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

OTHER ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31ST MARCH 2016

	<u>2016</u>	<u>2015</u>
	<u>HK\$</u>	<u>HK\$</u>
Postages, telephone and cables	83,443	65,292
Repairs and maintenance	26,195	34,136
Advertisement and public relations	114,959	79,479
Cleaning	6,952	6,892
Meeting expenses	22,502	29,757
Membership fee	3,168	3,573
Insurance	18,671	18,573
Travelling expenses	12,072	5,049
Printing and stationery	63,575	76,352
Electricity and water	32,063	32,377
Building management fees	13,764	18,588
Rates	13,600	13,605
Retainer fees	-	10,000
Bank charges	7,512	6,271
Hospitality	20,762	34,379
Warehouse expenses	23,498	-
Sundry expenses	16,200	22,317
	<u>478,936</u>	<u>456,640</u>

FOR MANAGEMENT INFORMATION PURPOSES ONLY

Appendix 2

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

SURPLUS FROM FUND RAISING ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2016

	<u>Grants and other receipts</u>	<u>Program expenditure</u>
	<u>HK\$</u>	<u>HK\$</u>
Gala 2016 (13/4/2016)	801,700	-
Mrs. Olivia Leung Painting Exhibition	703,600	572
Cheungsam Activities	102,510	3,623
The Italian Women's Association - Concert for Cause Gala	74,500	500
China Construction Bank (Asia) Corporation Ltd	110,600	77,000
Gooood Secret Movie @PMQ	12,484	-
Children Painting Exhibition	1,240	-
Charitable Choice Ltd	617	-
商業電台 有誰共鳴	73	-
South Island School Student Council (23/1/2016)	350	5,851
HKCEC - Colour Living's "Design Commune"	-	6,146
Hotel SAV	3,000	16,749
Miscellaneous	-	7,089
	<u>1,810,674</u>	<u>117,530</u>
Net surplus for the year		1,693,144
<u>Less</u> : Reallocated to Designated Project		
- Cross All Borders (2015)		<u>(33,600)</u>
Net surplus after allocation of Fund to Projects		<u>1,659,544</u>