

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 2019

**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 the audited financial statements of Arts with the Disabled Association Hong Kong ("the Association") for the year ended 31st March 2019.

#### **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 2019 and the state of the Association's affairs at that date are set out in the financial statements on pages 5 to 22.

#### **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)  
Cheng Sim Yee, Grace (Vice-Chairperson)  
Lam Pui Man (Vice-Chairperson)  
Leung Wu Kwai Man, Olivia (Vice-Chairperson)  
Lee Sau Wai, Cecilia (Hon. Treasurer)  
Kwong Lan Heung (Hon. Secretary)  
Chang Thomp Kwan  
Chew Oi Ping  
Kuo Chun Chuen  
Lam Wai Pong  
Tsang Shun Yan, Anita  
Tsui Po Yik  
Wong Wing Yan, Donna  
Wong Yuen Ping, Estella  
Chau Man Ki, Mabel (resigned on 1st January 2019)  
Choi Lui Yin (Hon. Secretary) (resigned on 1st January 2019)  
Wong Kam Ling, William (resigned on 6th September 2018)

## **BUSINESS REVIEW**

The Company qualifies for reporting exemption as a small guarantee company and exempts 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 Executive Committee



Lam Choi Chu, Ida  
Chairperson

Hong Kong, 14th November 2019.

# F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1001 Admiralty Centre Tower 1, 18 Harcourt Road, Hong Kong.  
Tel : 2861 1717 Fax : 2865 6828 Email : mail@fslico.com

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

### **ARTS WITH THE DISABLED ASSOCIATION HONG KONG**

*(incorporated in Hong Kong with liability limited by guarantee)*

#### ***Opinion***

We have audited the financial statements of Arts With The Disabled Association Hong Kong ("the Association") set out on pages 5 to 22, which comprise the statement of financial position as at 31st March 2019, and the income statement, statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31st March 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### ***Basis for Opinion***

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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 Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical 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.

#### ***Information Other Than the Financial Statements and Auditor's Report Thereon***

The Executive Committee members are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Executive Committee members' report on pages 1 and 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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.

#### ***Responsibilities of Executive Committee Members and Those Charged with Governance for the Financial Statements***

The Executive Committee members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committee members 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 Executive Committee members are responsible for assessing the Association'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 Executive Committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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. This report is made 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, 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 Association's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee members.
- ♦ Conclude on the appropriateness of the Executive Committee members' 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 Association'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 Association to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

*FSCo.*

F.S. Li & Co.  
Certified Public Accountants

Hong Kong, 14th November 2019.

# ARTS WITH THE DISABLED ASSOCIATION HONG KONG

## INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2019

	<u>Note</u>	HK\$	<u>2019</u> HK\$	<u>2018</u> HK\$
<b>INCOME</b>				
Grant/workshop fee and other income for designated projects			13,352,595	12,765,571
Grant for administration support for designated projects			<u>395,642</u>	<u>657,550</u>
			13,748,237	13,423,121
Grant/donation for support of administration and operation	4		2,772,415	1,933,198
Income from fund-raising activities			1,447,381	2,476,689
Income for Arts Accessibility Sustainability Fund			1,809,709	1,592,039
Recovery of subsidy from completed designated projects			-	525,115
Arts programme income			268,760	199,171
Other income	5		<u>422,172</u>	<u>212,938</u>
			<u>20,468,674</u>	<u>20,362,271</u>
<b>EXPENDITURE</b>				
Designated Projects				
- staff costs	6	6,250,808		5,706,083
- programme costs		<u>7,101,787</u>		<u>7,059,488</u>
			13,352,595	12,765,571
Scholarships for artist development			5,000	6,705
Staff costs			2,752,579	2,939,638
Expenses for staff development			23,828	-
Expenses for fund-raising activities			150,186	482,143
Other programme expenses			522,625	196,201
Marketing expenses			39,028	40,220
Support to ADAM Arts Creation Ltd.			-	200,000
Loss on foreign exchange			257	-
Auditor's remuneration			58,900	56,900
Depreciation on property, plant and equipment			42,560	47,584
Other administrative expenses			<u>357,024</u>	<u>438,212</u>
			<u>17,304,582</u>	<u>17,173,174</u>
<b>SURPLUS FOR THE YEAR</b>			<u>3,164,092</u>	<u>3,189,097</u>

**ARTS WITH THE DISABLED ASSOCIATION HONG KONG**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31ST MARCH 2019**

	<u>Note</u>	<u>2019</u> HK\$	<u>2018</u> HK\$
SURPLUS FOR THE YEAR		3,164,092	3,189,097
OTHER COMPREHENSIVE EXPENSE			
<i>Items that will not be reclassified to surplus or deficit:</i>			
Decrease in fair value of equity investments at fair value through other comprehensive income	15	(67,344)	-
<i>Items that may be reclassified subsequently to surplus or deficit:</i>			
Decrease in fair value of available-for-sale investments	15	-	(25,931)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,096,748</u>	<u>3,163,166</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Accumulated Fund		1,383,211	1,603,763
Other Funds and Reserves		<u>1,713,537</u>	<u>1,559,403</u>
		<u>3,096,748</u>	<u>3,163,166</u>

**ARTS WITH THE DISABLED ASSOCIATION HONG KONG**

**STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2019**

	<u>Note</u>	<u>HK\$</u>	<u>2019</u> <u>HK\$</u>	<u>2018</u> <u>HK\$</u>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	10		57,156	88,210
Available-for-sale investments	11		-	2,038,203
Equity investments at fair value through other comprehensive income	12		2,028,321	-
			<u>2,085,477</u>	<u>2,126,413</u>
<b>CURRENT ASSETS</b>				
Accounts receivable, deposits and prepayments		1,386,016		1,325,102
Amount due from an affiliated company	13	794,321		949,240
Cash and bank balances		<u>13,045,661</u>		<u>10,992,108</u>
		<u>15,225,998</u>		<u>13,266,450</u>
<b>Less: CURRENT LIABILITIES</b>				
Accounts payable and accrued charges		1,224,513		668,940
Receipt in advance for designated funds		4,641,358		6,262,839
Receipt in advance for purchase of property, plant and equipment		<u>49,252</u>		<u>161,480</u>
		<u>5,915,123</u>		<u>7,093,259</u>
<b>NET CURRENT ASSETS</b>			<u>9,310,875</u>	<u>6,173,191</u>
<b>NET ASSETS</b>			<u><u>11,396,352</u></u>	<u><u>8,299,604</u></u>
<i>represented by:</i>				
<b>FUNDS AND RESERVE</b>				
Accumulated fund	14		6,962,736	5,579,525
Other reserves	16		4,487,017	2,706,136
Designated funds	17		-	-
			<u>11,449,753</u>	<u>8,285,661</u>
Investment revaluation reserve	15		<u>(53,401)</u>	<u>13,943</u>
			<u><u>11,396,352</u></u>	<u><u>8,299,604</u></u>

These financial statements on pages 5 to 22 were approved and authorised for issue by the Executive Committee on 14th November 2019.



Lam Choi Chu, Ida  
Executive Committee member



Lee Sau Wai, Cecilia  
Executive Committee member



**ARTS WITH THE DISABLED ASSOCIATION HONG KONG**

**STATEMENT OF CHANGES IN FUNDS**

**FOR THE YEAR ENDED 31ST MARCH 2019**

	Other Reserves							
	Accumulated	Scholarship	Staff	Dr. Marion	Arts		Investment	
	Fund	Fund	Development	Fang Arts with	Accessibility	Designated	Revaluation	Total
	HK\$	HK\$	Fund	the Disabled	Sustainability	funds	Reserve	Total
	HK\$	HK\$	HK\$	Fund	Fund	HK\$	HK\$	HK\$
Balance at 31st March 2017	3,985,180	185,296	378,494	82,163	465,431	-	39,874	5,136,438
Increase/(Decrease) for the year	1,603,763	(2,505)	-	(4,200)	1,592,039	-	-	3,189,097
Decrease in fair value of equity investments for the year	-	-	-	-	-	-	(25,931)	(25,931)
Total comprehensive income for the year ended 31st March 2018	1,603,763	(2,505)	-	(4,200)	1,592,039	-	(25,931)	3,163,166
Fund transfer	(9,418)	-	9,418	-	-	-	-	-
Balance at 31st March 2018	5,579,525	182,791	387,912	77,963	2,057,470	-	13,943	8,299,604
Increase/(Decrease) for the year	1,383,211	(5,000)	(23,828)	-	1,809,709	-	-	3,164,092
Decrease in fair value of equity investments for the year	-	-	-	-	-	-	(67,344)	(67,344)
Total comprehensive income for the year ended 31st March 2019	1,383,211	(5,000)	(23,828)	-	1,809,709	-	(67,344)	3,096,748
Balance at 31st March 2019	6,962,736	177,791	364,084	77,963	3,867,179	-	(53,401)	11,396,352

**ARTS WITH THE DISABLED ASSOCIATION HONG KONG**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31ST MARCH 2019**

	HK\$	<u>2019</u> HK\$	HK\$	<u>2018</u> HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Surplus for the year		3,164,092		3,189,097
Adjustments for:				
Interest income		(5,517)		(95)
Dividend income		(111,746)		(93,629)
Gain on disposal of property-plant and equipment included in other income		(528)		-
Depreciation on property, plant and equipment		<u>42,560</u>		<u>47,584</u>
Operating surplus before working capital changes		3,088,861		3,142,957
(Increase)/Decrease in accounts receivable, deposits and prepayments		(60,914)		1,090,495
Decrease/(Increase) in amount due from an affiliated company		154,919		(588,907)
Increase in accounts payable and accruals		555,573		458,295
(Decrease)/Increase in receipt in advance for designated funds		(1,621,481)		2,301,639
(Decrease)/Increase in other receipt in advance		<u>(112,228)</u>		<u>161,480</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		2,004,730		6,565,959
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	5,517		95	
Dividend received	111,746		93,629	
Sales proceed of property, plant and equipment	2,640		-	
Purchase of equity investments at fair value through other comprehensive income	(57,462)		(45,168)	
Purchase of property, plant and equipment	<u>(13,618)</u>		<u>(20,708)</u>	
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<u>48,823</u>		<u>27,848</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		2,053,553		6,593,807
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<u>10,992,108</u>		<u>4,398,301</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<u><u>13,045,661</u></u>		<u><u>10,992,108</u></u>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>				
Cash and bank balances		<u><u>13,045,661</u></u>		<u><u>10,992,108</u></u>

# **ARTS WITH THE DISABLED ASSOCIATION HONG KONG**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31ST MARCH 2019**

#### **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 ("HKFRSPE") 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. In addition, the financial statements have been prepared under historical cost convention except that marketable available-for-sale investments are stated at fair value.

##### **(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 basis:

- (i) Membership subscriptions, venue charges income, workshop income, art programme income, income from fund-raising activities, income for Arts Accessibility Sustainability Fund, and grants/donations that does not impose specified future performance conditions and receipts from programmes are recognised when the right to receive the income is established.
- (ii) Grants and donations that impose specified future performance conditions are recognised in income only when the performance conditions are met.
- (iii) Subsidies or donations relating to purchase of property, plant and equipment are set off against the acquisition cost of the assets.
- (iv) Administration fee is recognised upon provision of services.
- (v) Dividend income is recognised when the shareholder's right to receive payment is established.
- (vi) Interest income is recognised as it accrues using the effective interest method.

3. Summary of significant accounting policies (continued)

(b) Cash and cash equivalents

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

(c) Functional and presentation currency

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

(d) 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 method at 20 per cent per annum.

(e) 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.

(f) Financial instruments

To account for financial instruments (financial assets and liabilities), the Association choose to apply the recognition and measurement provision of Hong Kong Financial Reporting Standard 9 ("HKFRS 9") "Financial Instruments" (Prior periods - Hong Kong Accounting Standard 39 ("HKAS 39") "Financial Instruments: Recognition and Measurement") of Hong Kong Financial Reporting Standards and the disclosure requirements of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of HKFRSPE.

HKFRS 9 replaces HKAS 39 for the Association's current accounting period. The Association has initially applied the provision of recognition and measurement of HKFRS 9 at 1st April 2018. Under the transitional provision chosen, comparative information is not restated. Due to adoption of HKFRS 9, available-for-sale investments are reclassified as equity investments at fair value through other comprehensive income, of which the accounting policy is stated at note 3(h) to the financial statements. In addition, HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the "expected credit loss" ("ECL") model. ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under "incurred loss" accounting model in HKAS 39. Notwithstanding change of accounting policies from HKAS 39 to HKFRS 9, the carrying amounts of financial assets and liabilities at 1st April 2018 are the same.

3. Summary of significant accounting policies (continued)

(g) Available-for-sale investments (before the adoption of HKFRS 9)

Available-for-sale investments are listed securities intended to be held for long term purposes.

Available-for-sale investments are initially recognised at fair value plus transaction costs. Gains and losses arises 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.

(h) Equity investments at fair value through other comprehensive income (after the adoption of HKFRS 9)

Equity investments at fair value through other comprehensive income are those equity investments not held for trading. Amounts presented in other comprehensive income for such investments are not be subsequently transferred to surplus or deficit. At the time of disposal of an equity investment, the cumulative gain or loss of the investment is transferred from investment revaluation reserve to accumulated fund.

(i) Accounts receivable and deposits

Accounts receivable and deposits are measured at amortised cost using the effective interest rate method less allowance for credit losses (Prior years - initially recognised at fair value and thereafter 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 allowance for credit losses (Prior years - impairment losses for bad and doubtful debts).

(j) Accounts payable and accruals

Accounts payable and accruals are initially recognised at fair value and thereafter are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(k) 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.

(l) 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.

3. Summary of significant accounting policies (continued)

(m) 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 expenditure 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.

4. Grant/donation for support of administration and operation

	<u>2019</u> HK\$	<u>2018</u> HK\$
Hong Kong Arts Development Council	318,000	300,000
The Swire Group Charitable Trust	1,500,000	1,500,000
Others	954,415	133,198
	<u>2,772,415</u>	<u>1,933,198</u>

5. Other income

	<u>2019</u> HK\$	<u>2018</u> HK\$
Venue charges	9,060	26,640
Dividend income	111,746	93,629
Interest income	5,517	95
Membership subscriptions	4,500	6,600
Gain on foreign exchange	-	363
Administration fee from an affiliated company	43,333	40,000
Artists management fee from an affiliated company	243,000	-
Others	5,016	45,611
	<u>422,172</u>	<u>212,938</u>

**ARTS WITH THE DISABLED  
ASSOCIATION HONG KONG**

*Notes to the financial statements  
For the year ended 31st March 2019*

6. Total staff costs

	<u>2019</u> HK\$	<u>2018</u> HK\$
Staff costs included in designated projects		
- Salaries and allowances	5,972,459	5,446,937
- Mandatory provident fund contributions	<u>278,349</u>	<u>259,146</u>
	<u>6,250,808</u>	<u>5,706,083</u>
Staff costs in non-designated projects		
- Salaries and allowances	1,015,590	728,006
- Mandatory provident fund contributions	<u>47,507</u>	<u>30,743</u>
	<u>1,063,097</u>	<u>758,749</u>
Staff costs in administration, account, marketing and fund-raising		
- Salaries and allowances	1,595,242	2,053,927
- Mandatory provident fund contributions	<u>62,876</u>	<u>83,735</u>
	<u>1,658,118</u>	<u>2,137,662</u>
Staff benefits	<u>31,364</u>	<u>43,227</u>
	<u>9,003,387</u>	<u>8,645,721</u>

7. Rental expenses paid under operating leases

	<u>2019</u> HK\$	<u>2018</u> HK\$
Rental expenses paid under operating leases during the year (included in Designated Projects expenditure)	<u>420,585</u>	<u>400,923</u>

8. Executive Committee members' remuneration

The Executive Committee members during the year did not receive and would not receive any benefits and they did not have an interest in respect of the items as mentioned in Section 383(1)(a), (b), (c) and (d) of the Hong Kong Companies Ordinance (2018 - Same).

No consideration was provided to or receivable by third parties for making available the services of a person as Executive Committee member or in any other capacity as Executive Committee members (2018 - Same).

9. Taxation

The Association is a charitable institution and is exempt from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance (2018 - Same).

**ARTS WITH THE DISABLED  
ASSOCIATION HONG KONG**

*Notes to the financial statements  
For the year ended 31st March 2019*

10. Property, plant and equipment

	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
Cost			
At 31st March 2017	741,059	493,687	1,234,746
Additions	4,298	77,930	82,228
At 31st March 2018	745,357	571,617	1,316,974
Additions	2,040	123,806	125,846
Disposals	(508,849)	(117,268)	(626,117)
At 31st March 2019	238,548	578,155	816,703
<u>Less: Amount financed by donations/subsidies</u>			
At 31st March 2017	(472,377)	-	(472,377)
Additions	-	(61,520)	(61,520)
At 31st March 2018	(472,377)	(61,520)	(533,897)
Additions	-	(112,228)	(112,228)
Disposals	472,377	-	472,377
At 31st March 2019	-	(173,748)	(173,748)
Carrying value at 31st March 2019	238,548	404,407	642,955
Accumulated depreciation			
At 31st March 2017	245,469	401,814	647,283
Charge for the year	12,100	35,484	47,584
At 31st March 2018	257,569	437,298	694,867
Charge for the year	8,783	33,777	42,560
Written back on disposals	(34,360)	(117,268)	(151,628)
At 31st March 2019	231,992	353,807	585,799
Net book value			
At 31st March 2019	6,556	50,600	57,156
At 31st March 2018	15,411	72,799	88,210

11. Available-for-sale investments (before adoption of HKFRS 9)

	2019 HK\$	2018 HK\$
Unit trust fund, at fair value	-	1,841,621
Hong Kong listed shares, at fair value	-	196,582
	-	2,038,203



**ARTS WITH THE DISABLED  
ASSOCIATION HONG KONG**

*Notes to the financial statements  
For the year ended 31st March 2019*

12. Equity investments at fair value through other comprehensive income (after adoption of HKFRS 9)

	<u>2019</u> HK\$	<u>2018</u> HK\$
Unit trust fund, at fair value	1,853,387	-
Hong Kong listed shares, at fair value	174,934	-
	<u>2,028,321</u>	<u>-</u>

13. Amount due from an affiliated company

	<u>Adam Arts Creation Limited</u>	
	<u>2019</u> HK\$	<u>2018</u> HK\$
Balance at end of the year	794,321	949,240
Maximum amount outstanding during the year	950,485	1,024,388

ADAM Arts Creation Limited is established to promote and co-ordinate 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.

The amount due from the affiliated company is unsecured and interest free, and there is no fixed repayment term.

The affiliated company is a company of which Mr. Lam Wai Pong and Messrs. Lam Choi Chu, Ida, Leung Wu Kwai Man, Olivia, Tsang Shun Yan, Anita, Lee Sau Wai, Cecilia are directors at the date of this report.

14. Accumulated fund

	<u>2019</u> HK\$	<u>2018</u> HK\$
Balance at beginning of year	5,579,525	3,985,180
Surplus for the year	1,383,211	1,603,763
<u>Less:</u> Amount transferred to: Staff Development Fund (Note 16)	<u>-</u>	<u>(9,418)</u>
Balance at end of year	<u>6,962,736</u>	<u>5,579,525</u>

**ARTS WITH THE DISABLED  
ASSOCIATION HONG KONG**

*Notes to the financial statements  
For the year ended 31st March 2019*

15. Investment revaluation reserve

	<u>2019</u> HK\$	<u>2018</u> HK\$
Balance at beginning of year	13,943	39,874
Decrease in fair value of available-for-sale investments for the year	<u>(67,344)</u>	<u>(25,931)</u>
Balance at end of year	<u><u>(53,401)</u></u>	<u><u>13,943</u></u>

Previously, the investment revaluation reserve comprised the cumulative net change in the fair value of available-for-sale investments until the investments were derecognised or impaired. Upon the adoption of the provision of recognition and measurement of HKFRS 9, available-for-sale investments are reclassified as equity investments at fair value through other comprehensive income, the reserve comprises the cumulative net change in the fair value of equity investment. Upon disposal of an equity investment, the cumulative gain or loss of the investment is transferred from the reserve to accumulated fund.

16. Other reserves

	<u>Scholarship fund</u> HK\$	<u>Staff Development fund</u> HK\$	<u>Dr. Marion Fang Arts with the Disabled Memorial fund</u> HK\$	<u>Arts Accessibility Sustainability fund</u> HK\$	<u>Total</u> HK\$
Balance at 31st March 2017	185,296	378,494	82,163	465,431	1,111,384
Service fee received	-	-	-	1,592,039	1,592,039
Less: Expenditure	(2,505)	-	(4,200)	-	(6,705)
Amount transferred from Accumulated Fund	<u>-</u>	<u>9,418</u>	<u>-</u>	<u>-</u>	<u>9,418</u>
Balance at 31st March 2018	182,791	387,912	77,963	2,057,470	2,706,136
Service fee received	-	-	-	1,809,709	1,809,709
Less: Expenditure	<u>(5,000)</u>	<u>(23,828)</u>	<u>-</u>	<u>-</u>	<u>(28,828)</u>
Balance at 31st March 2019	<u><u>177,791</u></u>	<u><u>364,084</u></u>	<u><u>77,963</u></u>	<u><u>3,867,179</u></u>	<u><u>4,487,017</u></u>

Scholarship 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.

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

The objectives of Dr. Marion Fang Arts With The Disabled Memorial 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

Arts Accessibility Sustainability Fund was established to develop arts accessibility service for people with disabilities and elderly to access and experience arts programmes equally.

17. (a) Designated funds

	Reference	Balance at 31.03.2017 HK\$	Grant/ Donation income HK\$	Workshop and other income HK\$	Expenditure		Balance at 31.03.2018 HK\$	Grant/ Donation income HK\$	Workshop and other income HK\$	Expenditure		Balance at 31.03.2019 HK\$	For reference under cash basis	
					Staff and program costs HK\$	Administrative support HK\$				Staff and program costs HK\$	Administrative support HK\$		Grant/Donation received during the year 2018/2019 HK\$	2017/2018 HK\$
Social Welfare Department - Community Based Support Project for People with Disabilities														
2015-2017 (Creativity to Independence)	(i)	-	1,092,726	119,894	(1,212,620)	-	-	-	-	-	-	-	-	917,935
2018-2020 (Community in Arts)	(ii)	-	182,246	800	(183,046)	-	-	985,801	204,301	(1,190,102)	-	-	1,223,913	305,978
Hong Kong Arts Development Council														
Cross All Borders 2017	(iii)	-	177,813	66,154	(243,967)	-	-	-	-	-	-	-	56,670	-
畫作漂流計劃	(iv)	-	1,218	-	(1,218)	-	-	177,607	-	(177,607)	-	-	53,760	-
Matching Fund Scheme (CAB 2017)	(v)	-	304,967	-	(304,967)	-	-	-	-	-	-	-	-	320,000
Matching Fund Scheme (CAB 2018)	(vi)	-	-	-	-	-	-	378,085	-	(378,085)	-	-	180,000	-
Matching Fund Scheme (Be Inspired! 藝術人才培訓計劃)	(vii)	-	51,470	-	(51,470)	-	-	82,225	-	(82,225)	-	-	-	90,000
The Hong Kong Jockey Club Charities Trust														
Inclusive Arts Project	(viii)	-	2,209,852	96,501	(2,196,527)	(109,826)	-	2,592,298	104,882	(2,568,743)	(128,437)	-	2,291,800	2,291,800
Home Affairs Department														
Enhancing Self-Reliance Through District Partnership Programme Operation	(ix)	-	64,601	-	(64,601)	-	-	-	-	-	-	-	-	-
Lee Hysan Foundation														
Artist with Disability Development Scheme	(x)	-	48,159	-	(48,159)	-	-	-	-	-	-	-	-	-
Artists with Disabilities Ignition Scheme	(xi)	-	2,020,660	29,000	(1,988,669)	(60,991)	-	3,215,612	27,000	(3,127,830)	(114,782)	-	2,960,718	2,834,875
Shun Hing Education and Charity Fund Ltd														
Be inspired! 藝術人才培訓計劃	(xii)	-	51,470	-	(51,470)	-	-	-	-	-	-	-	-	90,000
China Construction Bank (Asia)														
Cross All Borders 2017	(xiii)	-	304,967	-	(304,967)	-	-	100,650	-	(100,650)	-	-	-	600,000
CAB Sustainable Fund 2016	(xiv)	-	36,400	-	(36,400)	-	-	11,200	-	(11,200)	-	-	-	-
CAB Sustainable Fund 2018	(xiv)	-	-	-	-	-	-	58,817	-	(58,817)	-	-	200,000	-
Jean Ho Foundation														
Artists with Disabilities Ignition Scheme	(xv)	-	721,835	-	(702,103)	(19,732)	-	679,222	-	(679,222)	-	-	1,197,600	963,650
JK and Ingrid Lee Foundation														
Art Accessibility Service Project	(xvi)	-	2,554,438	-	(2,480,037)	(74,401)	-	3,791,289	-	(3,680,866)	(110,423)	-	3,069,293	2,985,615
The Path Together Re-run	(xvii)	-	-	-	-	-	-	625,764	-	(603,764)	(22,000)	-	-	913,533
Hong Kong Museum of Art														
Blossoming Staircase Project	(xviii)	-	2,568,000	-	(2,350,400)	(217,600)	-	-	-	-	-	-	-	2,054,400
RTHK Celebrating of HKSAR 20th Anniversary														
International Gala Extraordinaire (Stage of Ability)	(xix)	-	714,968	-	(539,968)	(175,000)	-	-	-	-	-	-	-	714,968
West Kowloon Cultural Authority														
Life Planning Project	(xx)	-	4,982	-	(4,982)	-	-	317,842	-	(297,842)	(20,000)	-	180,205	180,205
Fidelity International Foundation														
For the database enhancement	(xxi)	-	-	-	-	-	-	-	-	-	-	-	125,000	-
		-	13,110,772	312,349	(12,765,571)	(657,550)	-	13,016,412	336,183	(12,956,953)	(395,642)	-	11,538,959	15,262,959

17. (b) 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) Social Welfare Department - Community Based Support Project for People with Disabilities (Community in Arts)	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 "Community in Arts"
(iii) Hong Kong Arts Development Council - Cross All Borders 2017	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 2017.
(iv) Hong Kong Arts Development Council - 畫作漂流計劃	The fund was established to account for grants received from Hong Kong Arts Development Council for payment of expenses for the project "畫作漂流計劃".
(v) Hong Kong Arts Development Council - Matching Fund Scheme: Cross all Borders 2017	The fund was established to account for grants received from Hong Kong Arts Development Council - Matching Fund Scheme for payment of expenses for the project "Cross All Borders 2017".
(vi) Hong Kong Arts Development Council - Matching Fund Scheme: Cross all Borders 2018	The fund was established to account for grants received from Hong Kong Arts Development Council - Matching Fund Scheme for payment of expenses for the project "Cross All Borders 2018".
(vii) Hong Kong Arts Development Council - Matching Fund Scheme: Be Inspired! 藝術人才培訓計劃	The fund was established to account for grants received from Hong Kong Arts Development Council - Matching Fund Scheme for payment of expenses for the project "Be Inspired! 藝術人才培訓計劃".
(viii) The Hong Kong Jockey Club Charities Trust - Inclusive Arts Project	The fund was established to account for donations received from the Hong Kong Jockey Club Charities Trust for payment of expenses incurred for Inclusive Arts Project.

17. (b) Designated funds (continued)

<u>Name of Designated funds</u>	<u>Purposes</u>
(ix) Home Affairs Department - - Enhancing Self-Reliance Through District Partnership Programme Operation	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".
(x) 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.
(xi) 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.
(xii) Shun Hing Education and Charity Fund Ltd Be Inspired! 藝術人才培訓計劃	The fund was established to account for donation received from Shun Hing Education and Charity Fund Ltd for payment of expenses incurred for the project "Be Inspired! 藝術人才培訓計劃".
(xiii) China Construction Bank (Asia) - Cross All Borders 2017	The fund was established to account for donation received from China Construction Bank (Asia) for payment of expenses incurred for the Project Cross All Borders 2017.
(xiv) China Construction Bank (Asia) - CAB Sustainable Fund	The fund was established to account for donation received from China Construction Bank (Asia) for payment of expenses incurred for CAB Sustainable Fund
(xv) Jean Ho Foundation - Artists with Disabilities Ignition Scheme	The fund was established to account for donation received from Jean Ho Foundation for payment of expenses incurred for Artists with Disabilities Ignition Scheme.
(xvi) JK and Ingrid Lee Foundation - Art Accessibility Service Project	The fund was established to account for donation received from JK and Ingrid Lee Foundation for payment of expenses incurred for Art Accessibility Service Project.
(xvii) JK and Ingrid Lee Foundation - The Path Together Re-run	The fund was established to account for donation received from JK and Ingrid Lee Foundation for payment of expenses incurred for the project "The Path Together Re-run". The project will commence after year end.

**ARTS WITH THE DISABLED  
ASSOCIATION HONG KONG**

*Notes to the financial statements  
For the year ended 31st March 2019*

17. (b) Designated funds (continued)

<u>Name of Designated funds</u>	<u>Purposes</u>
(xviii) Hong Kong Museum of Art - Blossoming Staircase Project	The fund was established to account for grants received from Leisure and Cultural Services Department for payment of expenses incurred for Blossoming Staircase Project.
(xix) RTHK Celebrating of HKSAR 20th Anniversary - International Gala Extraordinaire (Stage of Ability)	The fund was established to account for grants received from Radio Telephone Hong Kong for payment of expenses incurred for the project International Gala Extraordinaire (Stage of Ability).
(xx) West Kowloon Cultural Authority - Life Planning Project	The fund was established to account for grants received from West Kowloon Cultural Authority for payment of expenses incurred for the project "Life Planning Project".
(xxi) Fidelity International Foundation - For the database enhancement	The fund was established to account for grants received from Fidelity International Foundation for payment of expenses incurred for the database enhancement.

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>2019</u> HK\$	<u>2018</u> HK\$
Not later than one year	385,000	419,000
Later than one year but not later than five years	-	385,000
	<u>385,000</u>	<u>804,000</u>

**ARTS WITH THE DISABLED  
ASSOCIATION HONG KONG**

*Notes to the financial statements  
For the year ended 31st March 2019*

19. Categories of financial assets and liabilities

	<u>2019</u> HK\$	<u>2018</u> HK\$
<u>Financial assets:</u>		
Non-current assets		
Available-for-sale investments, at fair value	-	2,038,203
Equity investments at fair value through other comprehensive income	2,028,321	-
Current assets, at amortised cost		
Accounts receivable and deposits (excluding prepayment)	1,334,879	1,277,474
Amount due from an affiliated company	794,321	949,240
Cash and bank balances	13,045,661	10,992,108
	<u>17,203,182</u>	<u>15,257,025</u>
<u>Financial liabilities - at amortised cost:</u>		
Current liabilities		
Accounts payable and accrued charges	<u>1,224,513</u>	<u>668,940</u>

20. Pledged of assets

At 31st March 2019, bank and equity investment at fair value through other comprehensive income balances in an aggregate sum of HK\$14,512,560 (2018 - HK\$12,762,157) were pledged to a bank to secure general banking facilities granted to the Association.

21. Related party transactions

During the year, the Association undertook the following transaction with related parties in the normal course of its business in addition to the transactions and balances detailed elsewhere in these financial statements:

	<u>2019</u> HK\$	<u>2018</u> HK\$
Payment to an affiliated company for supporting the development of social enterprise in SIE Matching Fund	-	200,000
Income received from affiliated company for provision of administration services	43,333	40,000
Income received from affiliated company for provision of artists management services	<u>243,000</u>	<u>-</u>