

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 2021

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 2021.

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 2021 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 (Resigned on 15th September 2020 and re-appointed on 5th December 2020)
Lam Wai Pong
Li Fung Yee (Appointed on 5th December 2020)
Tsang Shun Yan, Anita
Tsui Po Yik
Wong Wing Yan, Donna

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, 5th November 2021.

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 2021, 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 2021, 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.

F.S. Li & Co.

F.S. Li & Co.
Certified Public Accountants

Hong Kong, 5th November 2021.

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Note</u>	<u>HK\$</u>	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
INCOME				
Grant/workshop fee and other income for designated projects			14,830,114	13,941,448
Grant for administration support for designated projects			815,936	551,348
			<u>15,646,050</u>	<u>14,492,796</u>
Grant/donation for support of administration and operation				
The Lee Hysan Foundation		1,995,000		1,500,000
The Swire Group Charitable Trust		1,500,000		1,500,000
Hong Kong Arts Development Council		300,000		347,300
Grant from Employment Support Scheme		1,750,626		-
Anti epidemic fund from Home Affairs Bureau		160,000		-
Others		<u>488,256</u>		<u>296,103</u>
			6,193,882	3,643,403
Income from fund-raising activities			676,335	296,334
Income for arts accessibility sustainability fund			775,996	1,325,917
Arts programme income			229,006	1,108,022
Other income	4		<u>164,051</u>	<u>574,126</u>
			<u>23,685,320</u>	<u>21,440,598</u>
EXPENDITURE				
Designated Projects				
- staff costs	5	5,768,456		4,980,624
- programme costs		<u>9,061,658</u>		<u>8,960,824</u>
		14,830,114		13,941,448
Expenses for arts accessibility sustainability fund		-		447,341
Expenses for fund-raising activities		46,114		14,660
Staff costs - other than designated project costs	5	4,452,850		4,285,177
Other programme expenses		171,299		1,065,185
Marketing expenses		26,464		27,099
Loss on foreign exchange		-		223
Auditor's remuneration		53,600		51,500
Depreciation on property, plant and equipment		22,791		45,066
Other administrative expenses		<u>639,133</u>		<u>382,649</u>
			<u>20,242,365</u>	<u>20,260,348</u>
SURPLUS FOR THE YEAR			<u><u>3,442,955</u></u>	<u><u>1,180,250</u></u>

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
SURPLUS FOR THE YEAR		3,442,955	1,180,250
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
<i>Items that will not be reclassified to surplus or deficit:</i>			
Increase/(Decrease) in fair value of equity investments at fair value through other comprehensive income	16	<u>131,938</u>	<u>(148,179)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>3,574,893</u></u>	<u><u>1,032,071</u></u>
 TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Accumulated fund		2,666,959	396,957
Other Funds and Reserves		<u>907,934</u>	<u>635,114</u>
		<u><u>3,574,893</u></u>	<u><u>1,032,071</u></u>

ARTS WITH THE DISABLED ASSOCIATION HONG KONG


STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2021

	<u>Note</u>	<u>HK\$</u>	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
NON-CURRENT ASSETS				
Property, plant and equipment	9		43,567	56,837
Equity investments at fair value through other comprehensive income	10		<u>2,107,724</u>	<u>1,931,833</u>
			2,151,291	<u>1,988,670</u>
CURRENT ASSETS				
Accounts receivable, deposits and prepayments		2,302,191		4,072,322
Loan to an affiliated company	11	568,767		568,767
Amount due from an affiliated company	12	631,960		111,957
Cash and bank balances		<u>19,968,786</u>		<u>13,715,181</u>
		<u>23,471,704</u>		<u>18,468,227</u>
Less: CURRENT LIABILITIES				
Accounts payable and accrued charges		1,221,759		667,507
Receipt in advance for designated funds		<u>8,397,920</u>		<u>7,360,967</u>
		<u>9,619,679</u>		<u>8,028,474</u>
NET CURRENT ASSETS			<u>13,852,025</u>	<u>10,439,753</u>
NET ASSETS			<u>16,003,316</u>	<u>12,428,423</u>
<i>represented by:</i>				
FUNDS AND RESERVE				
Accumulated fund	13		10,026,652	7,359,693
Other reserves	14		6,046,306	5,270,310
Designated funds	15		<u>-</u>	<u>-</u>
			16,072,958	12,630,003
Investment revaluation reserve	16		<u>(69,642)</u>	<u>(201,580)</u>
			<u>16,003,316</u>	<u>12,428,423</u>

These financial statements on pages 5 to 22 were approved and authorised for issue by the Executive Committee on 5th November 2021.



 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 2021

	Other Reserves					Designated funds	Total funds	Investment revaluation reserve	Total
	Accumulated fund	Scholarship fund	Staff development fund	Dr. Marion Fang arts with the disabled memorial fund	Arts accessibility sustainability fund				
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 1st April 2020	7,359,693	177,791	364,084	77,963	4,650,472	-	12,630,003	(201,580)	12,428,423
Increase for the year	2,666,959	-	-	-	775,996	-	3,442,955	-	3,442,955
Increase in fair value of equity investments for the year	-	-	-	-	-	-	-	131,938	131,938
Total comprehensive income for the year ended 31st March 2021	2,666,959	-	-	-	775,996	-	3,442,955	131,938	3,574,893
Balance at 31st March 2021	10,026,652	177,791	364,084	77,963	5,426,468	-	16,072,958	(69,642)	16,003,316
Balance at 1st April 2019	6,962,736	177,791	364,084	77,963	3,867,179	-	11,449,753	(53,401)	11,396,352
Increase for the year	396,957	-	-	-	783,293	-	1,180,250	-	1,180,250
Decrease in fair value of equity investments for the year	-	-	-	-	-	-	-	(148,179)	(148,179)
Total comprehensive income for the year ended 31st March 2020	396,957	-	-	-	783,293	-	1,180,250	(148,179)	1,032,071
Balance at 31st March 2020	7,359,693	177,791	364,084	77,963	4,650,472	-	12,630,003	(201,580)	12,428,423

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2021

	HK\$	<u>2021</u> HK\$	HK\$	<u>2020</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Surplus for the year		3,442,955		1,180,250
Adjustments for:				
Interest income		(310)		(11,182)
Dividend income		(72,669)		(90,701)
Loss on disposal of property-plant and equipment included in other income		126		-
Depreciation on property, plant and equipment		<u>22,791</u>		<u>45,066</u>
Operating surplus before working capital changes		3,392,893		1,123,433
Decrease/(Increase) in accounts receivable, deposits and prepayments		1,770,131		(2,686,306)
Increase in loan to an affiliated company		-		(568,767)
(Increase)/Decrease in amount due from an affiliated company		(520,003)		682,364
Increase/(Decrease) in accounts payable and accruals		554,252		(557,006)
Increase in receipt in advance for designated funds		1,036,953		2,719,609
Decrease in other receipt in advance		<u>-</u>		<u>(49,252)</u>
NET CASH FROM OPERATING ACTIVITIES		6,234,226		664,075
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	310		11,182	
Dividend received	72,669		90,701	
Purchase of equity investments at fair value through other comprehensive income	(43,953)		(51,691)	
Purchase of property, plant and equipment	<u>(9,647)</u>		<u>(44,747)</u>	
NET CASH FROM INVESTING ACTIVITIES		<u>19,379</u>		<u>5,445</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,253,605		669,520
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>13,715,181</u>		<u>13,045,661</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>19,968,786</u></u>		<u><u>13,715,181</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		<u><u>19,968,786</u></u>		<u><u>13,715,181</u></u>

ARTS WITH THE DISABLED ASSOCIATION HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

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.

(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.

(c) Basis of measurement

The measurement basis used in the preparation of these financial statements is the historical cost basis except that equity investments at fair value through other comprehensive income are stated at fair value as explained in the accounting policies as set out in note 3 to the financial statements.

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.**

3. Summary of significant accounting policies (continued)

(a) Revenue recognition (continued)

- (ii) Grants and donations that impose specified future performance conditions are recognised in income only when the performance conditions are met.
- (iii) Donations or subsidies relating to purchase of property, plant and equipment are set off against the acquisition cost of the assets.
- (iv) Administration fee and artist management fee are 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.

(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" 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.

(g) Equity investments at fair value through other comprehensive income

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.

3. Summary of significant accounting policies (continued)

(h) Accounts receivable and deposits

Accounts receivable and deposits are initially recognised at transaction price and at the end of financial 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 receivables' carrying amount and the present value of estimated future cash flows, discounted at the receivable's original effective interest rate where the effect of discounting is material.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

**ARTS WITH THE DISABLED
ASSOCIATION HONG KONG**

*Notes to the financial statements
For the year ended 31st March 2021*

4. Other income

	<u>2021</u> HK\$	<u>2020</u> HK\$
Venue charges income	35,960	9,420
Dividend income	72,669	90,701
Interest income	310	11,182
Membership subscriptions	1,100	1,300
Gain on foreign exchange	279	-
Administration fee from an affiliated company	-	2,190
Surplus of completed designated fund projects not subject to claw back by fund providers	-	91,739
Refund from insurance in respect of injury compensation	-	365,504
Others	53,733	2,090
	<u>164,051</u>	<u>574,126</u>

5. Total staff costs

	<u>2021</u> HK\$	<u>2020</u> HK\$
Staff cost - other than designated project costs		
Staff costs in non-designated projects		
- Salaries and allowances	889,990	930,964
- Mandatory provident fund contributions	43,165	42,681
	<u>933,155</u>	<u>973,645</u>
Staff costs in administration, account, marketing and fund-raising*		
- Salaries and allowances	3,377,327	3,146,291
- Mandatory provident fund contributions	129,802	131,786
	<u>3,507,129</u>	<u>3,278,077</u>
Staff benefits	<u>12,566</u>	<u>33,455</u>
	<u>4,452,850</u>	<u>4,285,177</u>
Staff costs included in designated projects		
- Salaries and allowances	5,516,177	4,759,232
- Mandatory provident fund contributions	252,279	221,392
	<u>5,768,456</u>	<u>4,980,624</u>
	<u>10,221,306</u>	<u>9,265,801</u>

* (include grant from Anti epidemic fund - Home Affairs Bureau in an amount of HK\$160,000
[2020 - Nil].)

**ARTS WITH THE DISABLED
ASSOCIATION HONG KONG**

*Notes to the financial statements
For the year ended 31st March 2021*

6. Rental expenses paid under operating leases

	<u>2021</u> HK\$	<u>2020</u> HK\$
Rental expenses paid under operating leases during the year (included in Designated Projects expenditure)	<u>102,501</u>	<u>365,762</u>

7. 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 (2020 - 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 (2020 - Same).

8. Taxation

The Association is a charitable institution and is exempt from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance (2020 - Same).

9. Property, plant and equipment

	<u>Leasehold improvements</u> HK\$	<u>Furniture and fixtures</u> HK\$	<u>Office equipment</u> HK\$	<u>Total</u> HK\$
Cost				
At 1st April 2020	1,197,433	254,448	690,137	2,142,018
Additions	-	-	9,647	9,647
Disposals	-	-	(35,460)	(35,460)
At 31st March 2021	1,197,433	254,448	664,324	2,116,205
Less: Amount financed by donations/subsidies At 1st April and 31st March 2021	(1,197,433)	(15,900)	(241,427)	(1,454,760)
Carrying value at 31st March 2021	-	238,548	422,897	661,445
Accumulated depreciation				
At 1st April 2020	-	236,389	394,032	630,421
Charge for the year	-	979	21,812	22,791
Written back on disposals	-	-	(35,334)	(35,334)
At 31st March 2021	-	237,368	380,510	617,878
Net book value				
At 31st March 2021	-	1,180	42,387	43,567
At 31st March 2020	-	2,159	54,678	56,837

**ARTS WITH THE DISABLED
ASSOCIATION HONG KONG**

*Notes to the financial statements
For the year ended 31st March 2021*

10. Equity investments at fair value through other comprehensive income

	<u>2021</u> HK\$	<u>2020</u> HK\$
Unit trust fund, at fair value	1,977,631	1,805,385
Hong Kong listed shares, at fair value	<u>130,093</u>	<u>126,448</u>
	<u>2,107,724</u>	<u>1,931,833</u>

11. Loan to an affiliated company

	<u>Adam Arts Creation Limited</u>	
	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at end of the year	<u>568,767</u>	<u>568,767</u>
Maximum amount outstanding during the year	<u>568,767</u>	<u>568,767</u>

The loan is unsecured and interest free, and is wholly repayable after 1st March 2022.

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 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.

12. Amount due from an affiliated company

	<u>Adam Arts Creation Limited</u>	
	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at end of the year	<u>631,960</u>	<u>111,957</u>
Maximum amount outstanding during the year	<u>631,960</u>	<u>1,414,399</u>

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

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13. Accumulated fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	7,359,693	6,962,736
Surplus for the year	<u>2,666,959</u>	<u>396,957</u>
Balance at end of year	<u><u>10,026,652</u></u>	<u><u>7,359,693</u></u>

14. 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 1st April 2019	177,791	364,084	77,963	3,867,179	4,487,017
Service fee received	-	-	-	1,325,917	1,325,917
Less: Expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>(542,624)</u>	<u>(542,624)</u>
Balance at 31st March and 1st April 2020	177,791	364,084	77,963	4,650,472	5,270,310
Service fee received	-	-	-	775,996	775,996
Less: Expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31st March 2021	<u><u>177,791</u></u>	<u><u>364,084</u></u>	<u><u>77,963</u></u>	<u><u>5,426,468</u></u>	<u><u>6,046,306</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 community.

Arts accessibility sustainability fund was established to develop arts accessibility service for people with disabilities and elderly to access and experience arts programmes equally.

15. (a) Designated funds

	Reference	Balance at 01.04.2019 HK\$	Grant/ Donation income HK\$	Workshop and other income HK\$	Expenditure		Balance at 31.03.2020 and 01.04.2020 HK\$	Grant/ Donation income HK\$	Workshop and other income HK\$	Expenditure		Balance at 31.03.2021 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		
													2020/2021 HK\$	2019/2020 HK\$	
Social Welfare Department															
Community Based Support Project for People with Disabilities 2018-2020 (Community in Arts)	(i)	-	1,364,369	196,665	(1,532,234)	(28,800)	-	1,139,322	165,934	(1,290,856)	(14,400)	-	917,935	1,223,913	
Junction of Arts :Ways to Wellbeing & Being Well Project (21 - 23)	(ii)	-	-	-	-	-	-	102,738	-	(99,738)	(3,000)	-	150,000	-	
Arts Connect 藝術連繫	(iii)	-	-	-	-	-	-	43,840	29,000	(67,328)	(5,512)	-	210,410	-	
Professional Training and Public Education Pilot Scheme for Artists with Disabilities	(iv)	-	10,470	-	(9,934)	(536)	-	307,478	17,400	(303,617)	(21,261)	-	-	194,768	
Advanced Arts and Professional Development Workshops	(v)	-	39,635	-	(35,885)	(3,750)	-	546,603	19,200	(431,500)	(134,303)	-	-	1,199,572	
就「嚴重新型傳染性病原體呼吸系統病」加強預防傳染病措 施特別津貼	(vi)	-	5,000	-	(5,000)	-	-	-	-	-	-	-	-	5,000	
就「2019冠狀病毒病」加強預防傳染病措施第二次特別津貼	(vii)	-	-	-	-	-	-	6,000	-	(6,000)	-	-	-	6,000	
就「2019冠狀病毒病」加強預防傳染病措施第三次特別津貼	(viii)	-	-	-	-	-	-	6,000	-	(6,000)	-	-	6,000	-	
就「2019冠狀病毒病」加強預防傳染病措施第四次特別津貼	(ix)	-	-	-	-	-	-	6,000	-	(6,000)	-	-	6,000	-	
Hong Kong Arts Development Council															
Cross All Borders 2017	(x)	-	-	-	-	-	-	-	-	-	-	-	-	37,780	
畫作源流計劃	(xi)	-	7	-	(7)	-	-	-	-	-	-	-	-	35,840	
Art Generator - Artist Training Scheme	(xii)	-	-	-	-	-	-	99,893	-	(99,893)	-	-	-	232,400	
The Hong Kong Jockey Club Charities Trust															
Inclusive Arts Project 2019-2022	(xiii)	-	2,000,055	67,030	(1,913,968)	(153,117)	-	2,144,522	81,144	(2,060,802)	(164,864)	-	2,644,800	2,644,800	
Renovation Works & IT Infrastructure Project	(xiv)	-	2,215,520	-	(2,215,520)	-	-	1,838,118	-	(1,838,118)	-	-	3,103,722	-	
The Hong Kong Jockey Club Community Sustainability Fund															
Inclusive Arts Programme for Elders	(xv)	-	-	-	-	-	-	801,558	-	(763,338)	(38,220)	-	1,360,000	-	
Lee Hysan Foundation															
Artists with Disabilities Ignition Scheme	(xvi)	-	1,268,370	7,000	(1,175,535)	(99,835)	-	-	-	-	-	-	-	-	
Artists with Disabilities Ignition Scheme 2016-2022	(xvi)	-	763,228	6,855	(770,083)	-	-	-	-	-	-	-	(150,000)	-	
Scholarship for Mr. Tang Cheuk Him to pursue a 4-year Bachelor of Music (Honours) degree at the Royal College of Music, London	(xvii)	-	663,778	-	(663,778)	-	-	599,981	-	(599,981)	-	-	669,974	682,238	
Lee Hysan Foundation Key Partnership	(xviii)	-	-	-	-	-	-	-	-	-	-	-	9,000	300,000	
Shun Hing Education and Charity Fund Ltd															
Be inspired! 藝術人才培訓計劃	(xix)	-	8,016	-	(8,016)	-	-	-	-	-	-	-	-	20,000	
China Construction Bank (Asia)															
Cross All Borders 2017	(xx)	-	(40)	-	40	-	-	-	-	-	-	-	-	80,000	
CAB Sustainable Fund 2018	(xxi)	-	89,617	-	(89,617)	-	-	13,396	-	(13,396)	-	-	-	-	
Jean Ho Foundation															
Artists with Disabilities Ignition Scheme	(xxii)	-	661,223	-	(661,223)	-	-	16,039	-	(16,039)	-	-	-	606,350	
Artists with Disabilities Ignition Partnership Scheme 2.0 (2020)	(xxiii)	-	66,476	-	(66,476)	-	-	785,289	27,000	(686,289)	(126,000)	-	1,553,002	-	
JK and Ingrid Lee Foundation															
Art Accessibility Service Project 2016-2019	(xxiv)	-	768,003	-	(729,063)	(38,940)	-	5,000	-	(5,000)	-	-	-	-	
Art Accessibility Service Project 2019-2022	(xxiv)	-	1,261,499	-	(1,168,055)	(93,444)	-	-	-	-	-	-	4,307,247	3,686,304	
The Path Together Re-run	(xxv)	-	282,751	-	(282,751)	-	-	3,180,012	-	(2,944,455)	(235,557)	-	-	-	
Fidelity International Foundation															
Implementation of the Salesforce CRM System	(xxvi)	-	12,000	-	(12,000)	-	-	12,000	-	(12,000)	-	-	-	-	
For the database enhancement	(xxvii)	-	-	-	-	-	-	51,788	-	(51,788)	-	-	-	-	
Leisure and Cultural Services Department															
The Hong Kong Jockey Club "Accessible Art @ HKMoA" Pilot Scheme	(xxviii)	-	1,678,732	-	(1,554,381)	(124,351)	-	290,485	-	(268,968)	(21,517)	-	170,216	1,799,000	
Extension of Accessibility Services for The Hong Kong Jockey Club	(xxix)	-	-	-	-	-	-	19,300	-	(19,300)	-	-	10,290	-	
Arts Capacity Development Funding Scheme															
藝無疆2020：想！做！做！	(xxx)	-	318,302	6,820	(325,122)	-	-	1,677,020	80,002	(1,757,022)	-	-	1,997,000	-	
Vera Ruttenjoe Desai Charitable Fund															
Life Enrichment Programme for Elderly with Disabilities	(xxxi)	-	180,067	-	(171,492)	(8,575)	-	718,052	-	(666,750)	(51,302)	-	-	1,194,917	
		-	13,657,078	284,370	(13,390,100)	(551,348)	-	14,410,434	419,680	(14,014,178)	(815,936)	-	16,965,596	13,948,882	

15. (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 2018- 2020 (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".
(ii) Social Welfare Department - Junction of Arts : Ways to Wellbeing & Being Well Project (21 - 23)	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 "Junction of Arts : Ways to Wellbeing & Being Well Project (21-23)" .
(iii) Social Welfare Department - Arts Connect 藝術連繫	The fund was established to account for grant received from Social Welfare Department and other income earned for payment of expenses incurred for inclusive " Arts Connect 藝術連繫".
(iv) Social Welfare Department - Professional Training and Public Education Pilot Scheme for Artists with Disabilities	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 "Professional Training and Public Education Pilot Scheme for Artists with Disabilities".
(v) Social Welfare Department - Advanced Arts and Professional Development Workshops	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 "Advanced Arts and Professional Development Workshops".
(vi) Social Welfare Department - 就「嚴重新型傳染性病原體呼吸 系統病」加強預防傳染病措施特 別津貼	The fund was established to account for grant received from Social Welfare Department for procuring personal protective equipment and sanitising items in order to combat the novel coronavirus epidemic.
(vii) Social Welfare Department - 就「2019冠狀病毒病」加強預防 傳染病措施第二次特別津貼	The fund was established to account for grant received from Social Welfare Department for procuring personal protective equipment and sanitising items in order to combat the novel coronavirus epidemic.
(viii) Social Welfare Department - 就「2019冠狀病毒病」加強預防 傳染病措施第三次特別津貼	The fund was established to account for grant received from Social Welfare Department for procuring personal protective equipment and sanitising items in order to combat the novel coronavirus epidemic.

15. (b) Designated funds (continued)

<u>Name of Designated funds</u>	<u>Purposes</u>
(ix) Social Welfare Department - 就「2019冠狀病毒病」加強預防 傳染病措施第四次特別津貼	The fund was established to account for grant received from Social Welfare Department for procuring personal protective equipment and sanitising items in order to combat the novel coronavirus epidemic.
(x) 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.
(xi) 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".
(xii) Hong Kong Arts Development Council - Art Generator - Artist Training Scheme	The fund was established to account for grants received from Hong Kong Arts Development Council for payment of expenses for the project "Art Generator - Artist Training Scheme". The project will commence after year end.
(xiii) The Hong Kong Jockey Club Charities Trust - Inclusive Arts Project 2019-2022	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.
(xiv) The Hong Kong Jockey Club Charities Trust - Renovation Works & IT Infrastructure Project	The fund was established to account for donations received from the Hong Kong Jockey Club Charities Trust for payment of expenses incurred for the renovations works & IT infrastructure project.
(xv) The Hong Kong Jockey Club Community Sustainability Fund - Inclusive Arts Programme for Elders	The fund was established to account for donations received from the Hong Kong Jockey Club Community Sustainability Fund for payment of expenses incurred for Inclusive "Arts Programme for Elders 2020-2021".
(xvi) Lee Hysan Foundation - Artists with Disabilities Ignition Artists with Disabilities Ignition Scheme 2016-2022	The fund was established to account for donation received from Lee Hysan Foundation for payment of expenses incurred for Artists with Disabilities Ignition Scheme.

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15. (b) Designated funds (continued)

<u>Name of Designated funds</u>	<u>Purposes</u>
(xvii) Lee Hysan Foundation - Scholarship for Mr. Tang Cheuk Him to pursue a 4-year Bachelor of Music (Honours) degree at the Royal College of Music, London	The fund was established to account for donation received from Lee Hysan Foundation for payment of expenses incurred for the scholarship for Mr. Tang Cheuk Him to pursue a 4-year Bachelor of Music (Honours) degree at the Royal College of Music, London.
(xviii) Lee Hysan Foundation - Lee Hysan Foundation Key Partnership	The fund was established to account for donation received from Lee Hysan Foundation for payment of expenses incurred for the project "Lee Hysan Foundation Key Partnership". The project will commence after year end.
(xix) 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 for payment of expenses incurred for the project "Be Inspired! 藝術人才培訓計劃".
(xx) China Construction Bank (Asia) - Cross All Borders 2017	The fund was established to account for donation received from China Construction Bank (Asia) forepayment of expenses incurred for the Project Cross All Borders 2017.
(xxi) China Construction Bank (Asia) - CAB Sustainable Fund 2018	The fund was established to account for donation received from China Construction Bank (Asia) forepayment of expenses incurred for CAB Sustainable Fund.
(xxii) 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.
(xxiii) Jean Ho Foundation - Artists with Disabilities Ignition Partnership Scheme 2.0 (2020)	The fund was established to account for donation received from Jean Ho Foundation for payment of expenses incurred for Artists with Disability Ignition Partnership Scheme 2.0 (2020).
(xxiv) JK and Ingrid Lee Foundation - Art Accessibility Service Project 2016- 2019 Art Accessibility Service Project 2019- 2022	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.
(xxv) 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".

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15. (b) Designated funds (continued)

<u>Name of Designated funds</u>	<u>Purposes</u>
(xxvi) Fidelity International Foundation - Implementation of the Salesforce CRM System	The fund was established to account for grants received from Fidelity International Foundation for payment of expenses incurred for the implementation of Salesforce CRM System.
(xxvii) 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.
(xxviii) Leisure and Cultural Services Department - The Hong Kong Jockey Club "Accessible Art @ HKMoA" Pilot Scheme	The fund was established to account for grants received from Leisure and Cultural Services Department for payment of expenses incurred for the Hong Kong Jockey Club "Accessible Art @HKMoA" Pilot Scheme.
(xxix) Leisure and Cultural Services Department - Extension of Accessibility Services for The Hong Kong Jockey Club	To maintain the accessibility service for The Hong Kong Jockey Club "Accessible Art @ HKMoA" Pilot Scheme on the existing project website.
(xxx) Arts Capacity Development Funding Scheme - 藝無疆2020：想！敢！做！	The fund was established to account for grants received from Arts Capacity Development Funding Scheme for payment of expenses incurred for the project "藝無疆2020：想！敢！做！".
(xxxi) Vera Ruttonjee Desai Charitable Fund - Life Enrichment Programme for Elderly with Disabilities	The fund was established to account for donation received from Vera Ruttonjee Desai Charitable Fund for payment of expenses incurred for the project "Life Enrichment Programme for Elderly with Disabilities".

16. Investment revaluation reserve

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	(201,580)	(53,401)
Increase/(Decrease) in equity investments for the year	<u>131,938</u>	<u>(148,179)</u>
Balance at end of year	<u>(69,642)</u>	<u>(201,580)</u>

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.

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17. 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>2021</u> HK\$	<u>2020</u> HK\$
Not later than one year	470,411	455,000
Later than one year but not later than five years	427,042	897,000
	<u>897,453</u>	<u>1,352,000</u>

18. Categories of financial assets and liabilities

	<u>2021</u> HK\$	<u>2020</u> HK\$
<u>Financial assets:</u>		
Non-current assets		
Equity investments at fair value through other comprehensive income	2,107,724	1,931,833
Current assets, at amortised cost		
Accounts receivable and deposits (excluding prepayment)	2,273,110	4,015,109
Loan to an affiliated company	568,767	568,767
Amount due from an affiliated company	631,960	111,957
Cash and bank balances	19,968,786	13,715,181
	<u>25,550,347</u>	<u>20,342,847</u>
<u>Financial liabilities - at amortised cost:</u>		
Current liabilities		
Accounts payable and accrued charges	1,221,759	667,507

19. Pledged of assets

At 31st March 2021, bank and equity investment at fair value through other comprehensive income balances in an aggregate sum of HK\$1,964,601 (2020 - HK\$1,789,148) were pledged to a bank to secure general banking facilities granted to the Association.

20. 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>2021</u> HK\$	<u>2020</u> HK\$
Income received from affiliated company for provision of administration services	<u>-</u>	<u>2,190</u>