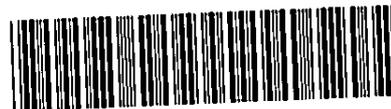


**ARTS' OPTIONS LIMITED**

**REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**



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# ARTS' OPTIONS LIMITED

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## **ARTS' OPTIONS LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2021**

The directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2021.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the Company are to provide on a non-profit making basis cultural education services to educators, young adults and children. There was no significant change in the nature of the Company's activities during the year.

#### **THE STATE OF THE COMPANY'S AFFAIRS AND APPROPRIATION**

The state of the Company's affair as at 31 March 2021 are set out in the financial statements on pages 5 to 9.

The Company is prohibited to distributing any surpluses and or reserves to members.

#### **PROPERTY, PLANT AND EQUIPMENT**

The Company has not acquired any property, plant and equipment during the year.

#### **DIRECTORS**

The Directors of the Company during the year and up to the date of this report were as follows:

Kwok Lai Sze  
Lai Yuk Chun  
Luk Wai Hung

In accordance with Article number 40 of the Company's Articles of Association, one-third of the directors shall retire from office and, being eligible, offer themselves for re-election.

#### **MANAGEMENT CONTRACTS**

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

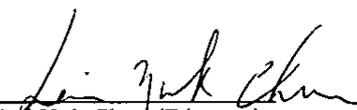
#### **PERMITTED INDEMNITY PROVISIONS**

A permitted indemnity provision (as defined in Section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout this period.

#### **AUDITORS**

Messrs. Ho, Lok & Pui CPA Limited, Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

By order of the Board of Directors

  
Lai Yuk Chun (Director)  
Hong Kong, - 7 FEB 2022

**何樂貝會計師事務所有限公司**  
**HO, LOK & PUI CPA LIMITED**  
**Certified Public Accountants**

Directors: Tom S.T. Ho FCPA (Practising), ACA, FCCA, MBA 何兆棠 執業會計師  
John K. C. Lok FCPA (Practising), ACA, FCCA, MBA, MSC 樂錦壯 執業會計師  
Eddy C. W. Pui FCPA (Practising), BBA 貝朝榮 執業會計師

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香港灣仔軒尼詩道300號中邦商業大廈15樓
- Branch: Unit 3005, 30/F., Prosperity Center, 25 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong  
香港九龍觀塘創業街 25 號創富中心 30 樓 3005 室 電話 Tel:(852)2866 1191 傳真 Fax:(852)2866 1291

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**ARTS' OPTIONS LIMITED**

(incorporated in Hong Kong limited by guarantee and not having a share capital)

**Opinion**

We have audited the financial statements of Arts' Options Limited ("the Company") set out on pages 5 to 9, which comprise the statement of financial position as at 31 March 2021, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net deficit of HK\$217,854 during the year ended 31 March 2021 and, as of that date, the Company's current liabilities exceeded its current assets by HK\$239,788. As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, 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.

**何樂貝會計師事務所有限公司**  
**HO, LOK & PUI CPA LIMITED**  
**Certified Public Accountants**

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- 

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**ARTS' OPTIONS LIMITED**

(incorporated in Hong Kong limited by guarantee and not having a share capital)

**Other Information (Continued)**

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 Directors and Those Charged with Governance for the Financial Statements**

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**何樂貝會計師事務所有限公司**  
**HO, LOK & PUI CPA LIMITED**  
**Certified Public Accountants**

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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**ARTS' OPTIONS LIMITED**

(incorporated in Hong Kong limited by guarantee and not having a share capital)

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

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



HO, LOK & PUI CPA LIMITED  
Certified Public Accountants  
Hong Kong, - 7 FEB 2022

Lok Kam Chong  
Practising Certificate Number P05083

## ARTS' OPTIONS LIMITED

### INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2021 <u>HK\$</u>	2020 <u>HK\$</u>
REVENUE	2	1,462,077	1,610,059
COST OF SALES		(1,323,152)	(1,116,339)
GROSS PROFIT		<u>138,925</u>	<u>493,720</u>
ADMINISTRATIVE EXPENSES		(356,779)	(353,482)
		<u>(217,854)</u>	<u>140,238</u>
FINANCE COSTS		-	(40)
(DEFICIT)/SURPLUS BEFORE TAX	3	<u>(217,854)</u>	<u>140,198</u>
INCOME TAX EXPENSE	4	-	-
(DEFICIT)/SURPLUS FOR THE YEAR		<u>(217,854)</u>	<u>140,198</u>
ACCUMULATED DEFECITS BROUGHT FORWARD		(21,934)	(162,132)
ACCUMULATED DEFECITS CARRIED FORWARD		<u>(239,788)</u>	<u>(21,934)</u>

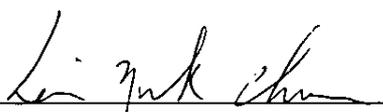
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

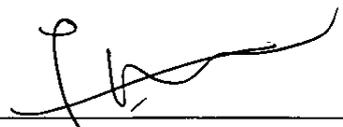
# ARTS' OPTIONS LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<i>Note</i>	2021 <u>HK\$</u>	2020 <u>HK\$</u>
<b>CURRENT ASSETS</b>			
Deposit and prepayments		4,595	2,000
Account receivables		296,448	69,834
Cash and bank balances		92,854	62,676
		393,897	134,510
<b>CURRENT LIABILITIES</b>			
Bank overdrafts		16,833	-
Accruals		13,202	24,200
Received in advance		472,006	-
Sundry payables		131,644	132,244
		633,685	156,444
		<u>(239,788)</u>	<u>(21,934)</u>
<b>GENERAL FUNDS</b>			
Accumulated deficits	6	<u>(239,788)</u>	<u>(21,934)</u>

Approved by the Board of Directors on - 7 FEB 2022

  
Lai Yuk Chun (Director)

  
Kwok Lai Sze (Director)

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

## ARTS' OPTIONS LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### REPORTING ENTITY

Arts' Options Limited ("the Company") is a limited company incorporated in Hong Kong. The address of its registered office is 7C, Wing Chai Industrial Building, 27-29 Ng Fong Street, San Po Kong, Kowloon, Hong Kong. The principal activities of the Company are to provide on a non-profit making basis cultural education services to educators, young adults and children.

#### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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

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

The measurement base adopted is the historical cost convention.

Notwithstanding that the Company incurred a net deficit of HK\$217,854 during the year ended 31 March 2021 and, as of that date, the Company's current liabilities exceeded its current assets by HK\$239,788, the financial statements have been prepared on the basis that the Company is a going concern as the members have agreed to provide adequate and continuing financial support to the Company to meet in full its financial obligations as they fall due in the foreseeable future. The financial statements do not include any adjustments that would result from a failure to obtain such funding and support such as to reduce the value of assets to their recoverable amount, to provide for any additional liabilities or to re-classify assets and liabilities.

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

##### a) Revenue

Revenue is recognised in surplus or deficit provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, as follows:

- (i) donations are recognised on a cash received basis;
- (ii) income from various programs and activities are recognised on a cash received basis;
- (iii) grant and sponsorship fee are recognised as income over the periods necessary to match them with the related costs they are intended to compensate, on a systematic basis, and
- (iv) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

##### b) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

## ARTS' OPTIONS LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

##### c) Taxation

With effect from 20 June 2012, the Company has become a charitable institution exempted from payments of all taxes administered by the Inland Revenue Department by virtue of Section 88 of the Inland Revenue Ordinance.

##### d) Impairment of assets

An assessment is made at each end of each reporting date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

#### 2. REVENUE

An analysis of the Company's revenue is as follows:

	2021 <u>HK\$</u>	2020 <u>HK\$</u>
Donations received	35,400	101,580
Grant, sponsorship and activities income	1,367,954	1,502,927
Bank interest income	1	232
Sundry income	58,722	5,320
	<u>1,462,077</u>	<u>1,610,059</u>

#### 3. DEFICIT/SURPLUS BEFORE TAX

The following items have been recognised as expenses in determining deficit/surplus before tax:

	2021 <u>HK\$</u>	2020 <u>HK\$</u>
After charging the following items:		
Auditors' remuneration	3,500	3,500
Staff costs (excluding directors' remuneration)		
Salaries and welfare	269,810	248,384
Mandatory Provident Fund contributions	<u>9,819</u>	<u>16,455</u>

## ARTS' OPTIONS LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 4. INCOME TAX EXPENSE

With effect from 20 June 2012, the Company has become a charitable institution exempted from payments of all taxes administered by the Inland Revenue Department by virtue of Section 88 of the Inland Revenue Ordinance.

#### 5. DIRECTORS' REMUNERATION

In accordance with the Company's Memorandum and Articles of Association, no Director of the Board shall be appointed to any salaried office, or any office of the Company paid by fee and no remuneration or other benefit in money or money's worth shall be given by the Company to any Director. Directors' remuneration disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

	2021 <u>HK\$</u>	2020 <u>HK\$</u>
Fees	-	-
Contributions to Mandatory Provident Fund	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

#### 6. CHANGES IN GENERAL FUNDS

	Accumulated deficits <u>HK\$</u>	Total general funds <u>HK\$</u>
Balance as at 31 March 2020	(21,934)	(21,934)
Deficit for the year	(217,854)	(217,854)
Balance as at 31 March 2021	<u>(239,788)</u>	<u>(239,788)</u>

#### 7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on **7 FEB 2022**.

THE FOLLOWING SCHEDULE DOES NOT FORM PART OF THE  
AUDITED FINANCIAL STATEMENTS

# ARTS' OPTIONS LIMITED

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	For information of management only	
	2021	2020
	<u>HK\$</u>	<u>HK\$</u>
<b>REVENUE</b>		
Donations received	35,400	101,580
Grant, sponsorship and activities income	1,367,954	1,502,927
Bank interest income	1	232
Sundry income	58,722	5,320
	1,462,077	1,610,059
Less: <b>COST OF SALES</b>		
Grant, sponsorship and activities expenses	1,323,152	1,116,339
	<u>138,925</u>	<u>493,720</u>
Less: <b>ADMINISTRATIVE EXPENSES</b>		
Audit fee	3,500	3,500
Bank charges	-	750
Computer expenses	4,000	2,952
Insurance	265	1,439
MPF contribution	9,819	16,455
Postage, printing and stationeries	146	581
Professional fees	-	3,100
Rental expenses	67,200	67,200
Repair and maintenance expenses	359	-
Salaries and allowances	269,810	248,384
Sundry expenses	50	3,684
Telephone and communications	1,630	4,500
Traveling	-	937
	356,779	353,482
Less: <b>FINANCE COSTS</b>		
Interests on bank overdrafts	-	40
<b>(DEFICIT)/SURPLUS BEFORE TAX</b>	<u><u>(217,854)</u></u>	<u><u>140,198</u></u>