

ART TOGETHER LIMITED

藝術到家有限公司

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

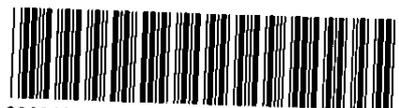
YEAR ENDED 30 JUNE 2020

黃龍德會計師事務所有限公司

香港執業會計師、英國特許會計師

PATRICK WONG C.P.A. LIMITED

Certified Public Accountants (Practising), Hong Kong Chartered Accountants



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(EXPRESSED IN HONG KONG DOLLARS)

ART TOGETHER LIMITED
藝術到家有限公司
 (A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

DIRECTORS' REPORT

The directors submit herewith their annual report together with the audited financial statements for the year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The principal activities of Art Together Limited (the "Organization") are to promote art and environmental protection of Hong Kong society, and organize a charitable nature beneficial to the art community of Hong Kong, education and environmental conservation for the purpose of facilitating art into all sectors of society.

RESULTS

The financial performance of the Organization for the year ended 30 June 2020 and its financial position at that date are set out in the financial statements on pages 4 to 12.

DIRECTORS

The directors of the Organization during the financial year were as follow:

- ✓CHENG Yee Man
- ✓LEUNG Wing Shan
- ✓NG Dig Yan Nora
- ✓TSANG Kim Wa
- ✓YUNG Chi Hau

All directors, other than the immediate past president, retire in accordance with the Organization's Articles of Association but, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS OF SIGNIFICANCE

Except for details as disclosed in notes 7 and 10 to the financial statements, no other transactions, arrangement and contracts of significance to which the Organization was a party and in which a director of the Organization had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BUSINESS REVIEW

The Organization falls within reporting exemption for the financial year. Accordingly, the Organization is exempted from preparing a business review.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Organization is currently in force and was in force throughout the year.

AUDITOR

The auditor, Patrick Wong C.P.A. Limited, Chartered Accountants, Certified Public Accountants (Practising), retire at the Annual General Meeting but, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD



CHENG Yee Man
 Chairperson

Hong Kong, 31 March 2021



黃龍德會計師

董事 Directors

黃龍德執業資深會計師
銅紫荊星章、太平紳士
劉旭明執業資深會計師

黃俊碩執業資深會計師

曾卓鋒執業資深會計師

PATRICK WONG, PhD, BBS, JP

FCPA(Practising), FCA, FCCA, FAIA, MSCA, FCG, FCS, CGP, CTA(HK), FTIHK, FHKIoD

LAU YUK MING, HAROLD

FCPA(Practising), MSCA

WONG CHUN SEK, EDMUND

FCPA(Practising), ACA, FCCA, FCG, FCS, CGP, MSCA, FTIHK, BComm(Hons), MSc, MPA, MCG, MBA

TSANG CHEUK FUNG, ANDY

FCPA(Practising), ACA, MSCA, BBA(Hons), BEng(Hons)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ART TOGETHER LIMITED

藝術到家有限公司

(INCORPORATED IN HONG KONG LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

Opinion

We have audited the financial statements of **Art Together Limited** (the "Organization") set out on pages 4 to 12, which comprise the statement of financial position as at 30 June 2020, and the statement of income and retained surplus 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 Organization as at 30 June 2020, 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 ("HKSAs") 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 Organization 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 directors are responsible for the other information. The other information comprises the information included in the directors' report, 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 directors and those charged with governance for the financial statements

The directors 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 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 Organization'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 Organization or to cease operations, or have no realistic alternative but to do so.

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

(to be continued, P.T.O.)

聯營公司：
Associated :

龍德商務顧問有限公司
LT Business Consultants Limited

江門市龍德諮詢服務有限公司
Jiangmen Longde Consultants Limited

澳門黃林梁郭有限公司
Macau Wong Lam Leung & Kwok Limited





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ART TOGETHER LIMITED
藝術到家有限公司
(INCORPORATED IN HONG KONG LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
(CONTINUED)

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 the Hong Kong Companies Ordinance, and for no other purposes. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 Organization 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.

PATRICK WONG C.P.A. LIMITED
黃龍德會計師事務所有限公司
Certified Public Accountants

劉旭明, 香港執業資深會計師
LAU YUK MING HAROLD
FCPA (Practising), MSCA
Certified Public Accountant (Practising), Hong Kong
Practising Certificate Number: P05468

Hong Kong, 31 March 2021

Ref: A413/A/PW/HL/1478/1586/486

ART TOGETHER LIMITED**藝術到家有限公司**

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

STATEMENT OF INCOME AND RETAINED SURPLUS
YEAR ENDED 30 JUNE 2020

	<u>Notes</u>	<u>2020</u> \$	<u>2019</u> \$
Revenue	4	1,100,740	1,760,320
Other income	4	30,418	12
Operating expenses		(1,010,091)	(1,762,708)
Surplus/(deficit) for the year	5	121,067	(2,376)
Retained surplus at beginning of the year		158,036	160,412
Retained surplus at end of the year		279,103	158,036

The notes on pages 7 to 12 form an integral part of these financial statements.
Independent Auditor's Report – Pages 2 and 3

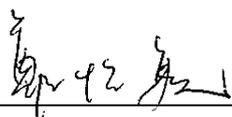
ART TOGETHER LIMITED**藝術到家有限公司**

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2020

	<u>Note</u>	<u>2020</u> \$	<u>2019</u> \$
Non-current asset			
Plant and equipment	8	9,999	13,784
Current assets			
Accounts receivable		132,290	226,247
Rental deposit		25,000	-
Cash and bank balances		540,405	321,061
		697,695	547,308
Current liabilities			
Accounts payable		208,916	394,056
Receipts in advance		210,675	-
Accrued expenses		9,000	9,000
		428,591	403,056
Net current assets		269,104	144,252
Net assets		279,103	158,036
Members' fund			
Retained surplus		279,103	158,036

APPROVED BY:-



 CHENG Yee Man
Director



 NG Dig Yan Nora
Director

ART TOGETHER LIMITED**藝術到家有限公司**

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
Operating activities		
Surplus/(deficit) for the year	121,067	(2,376)
Adjustments:		
- Bank interest income	(11)	(12)
- Depreciation	3,785	3,785
	-----	-----
Operating surplus before working capital changes	124,841	1,397
Decrease/(increase) in accounts receivable	93,957	(31,792)
Increase in rental deposit	(25,000)	-
(Decrease)/increase in accounts payable	(185,140)	200,317
Increase in receipts in advance	210,675	-
Increase in accrued expenses	-	1,000
	-----	-----
Net cash generated from operating activities	219,333	170,922
	-----	-----
Investing activities		
Interest received	11	12
Purchase of plant and equipment	-	(12,140)
	-----	-----
Net cash generated from/(used in) investing activities	11	(12,128)
	-----	-----
Net increase in cash and cash equivalents	219,344	158,794
Cash and cash equivalents at beginning of the year	321,061	162,267
	-----	-----
Cash and cash equivalents at end of the year	540,405	321,061
	=====	=====
Represented by:-		
Cash and bank balances	540,405	321,061
	=====	=====

ART TOGETHER LIMITED**藝術到家有限公司**

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2020

1. GENERAL INFORMATION

Art Together Limited (the “Organization”) is incorporated under the Hong Kong Companies Ordinance and limited by guarantee and not having a share capital. Under the provisions of the Organization’s Articles of Association, every member staff, in the event of the Organization being wound up, contribute to the assets of the Organization an amount not exceeding \$10.

The address of its registered office is 3/F., 222 Sai Yeung Choi Street South, Prince Edward, Kowloon, Hong Kong. The principal activities of the organization are to promote art and environmental protection of Hong Kong society, and organize a charitable nature beneficial to the art community of Hong Kong, education and environmental conservation for the purpose of facilitating art into all sectors of society.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements have been prepared 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 and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the accrual basis of accounting and on the basis that the Organization is a going concern.

The measurement base adopted is the historical cost convention.

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

(a) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated to write off the cost of items of plant and equipment, less their estimated residual value, if any, on a straight line method basis over their estimated useful life. The principal annual rate used for plant and equipment is 20%.

The residual value and the useful life of an asset are reviewed at least at the end of each reporting period.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(a) Plant and equipment (continued)

The Organization assesses at the end of each reporting period whether there is any indication that any items of plant and equipment may be impaired and that an impairment loss recognised in prior periods for an item may have decreased. If any such indication exists, the Organization estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, or a reversal of impairment loss is recognised immediately in profit or loss.

Gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(b) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalent are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Other payables

Other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(d) Revenue recognition

Revenue is recognised in income and expenditure account provided it is probable that the economic benefits will flow to the Organization and the revenue and costs, if applicable, can be measured reliably, as follows: -

(i) Income from activities are recognised when no significant uncertainty as to its collectability exists.

(ii) Interest income is recognised using the effective interest method.

(e) Related parties

(i) A person, or a close member of that person's family, is related to the Organization if that person:

(A) has control or joint control over the Organization;

(B) has significant influence over the Organization; or

(C) is a member of the key management personnel of the Organization.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(e) Related parties (continued)

(ii) An entity is related to the Organization if any of the following conditions applies:

- (A) the entity is controlled or jointly controlled by a person identified in (i).
- (B) a person identified in (i)(A) has significant influence over the entity or is a member of the key management personnel of the entity.
- (C) the entity, or any member of a group of which it is a part, provides key management personnel services to the Organization.

(f) Government grants

Government grants are recognised in profit or loss when there is reasonable assurance that they will be received and that the Organization will comply with the conditions attaching to them. Grants that compensate the Organization for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Organization for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The Organization's management makes assumptions, estimates and judgements in the process of applying the Organization's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRS for Private Entities. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

(i) Useful lives of plant and equipment

The Organization management determines the estimated useful lives and related depreciation charges for its plant and equipment. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(ii) Impairment losses of receivable

The policy for impairment of receivable is based on the evaluation of collectibility and aging analysis of amounts due from clients and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivable, including the current creditworthiness credit and the past collection history and each borrower, if the financial conditions of the borrowers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

4. REVENUE AND OTHER INCOME

An analysis of Organization's revenue and other income during the year is as follows:-

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>Revenue</u>		
Income from activities	355,370	556,993
Equipment rental income	-	300
Government grants	745,370	1,203,027
	-----	-----
	1,100,740	1,760,320
	=====	=====
<u>Other income</u>		
Bank interest income	11	12
Sundry income	30,407	-
	-----	-----
	30,418	12
	=====	=====

5. SURPLUS FOR THE YEAR

Surplus for the year is arrived at after charging:-

	<u>2020</u>	<u>2019</u>
	\$	\$
Staff costs		
- Salaries	442,320	496,490
- Mandatory provident fund	22,116	24,824
Auditor's remuneration	9,000	9,000
Depreciation	3,785	3,785
	-----	-----
	=====	=====

6. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is made in the financial statements as the Organization has obtained exemption status under Section 88 of the Inland Revenue Ordinance for taxation purpose.

7. EMOLUMENTS AND OTHER MATTERS RELATING TO DIRECTORS

- (a) Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation for the year is nil (2019: nil).

There were no payments made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity while directors.

- (b) There were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and other connected entities.
- (c) Directors' material interests in transactions, arrangements or contracts
The directors were of the opinion that, except for details as disclosed in note 10 to the financial statements, no other transactions, arrangement or contracts of significance in relation to the Organization's business to which the Organization was a party and in which a director of the Organization had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year and the previous year.
- (d) Guarantees to banks for loans granted to directors of the Organization
The Organization has not paid or incurred any liability for the purpose of fulfilling the guarantee or discharging the security given to banks for loans granted to the directors during the year and the previous year.
- (e) There were no consideration provided to or receivable by third parties for making available the services of a person as directors or in any other capacity while director.

8. PLANT AND EQUIPMENT

	Office equipment
	----- \$
Cost:	
At 1 July 2019 and 30 June 2020	21,324

Accumulated depreciation:	
At 1 July 2019	7,540
Charge for the year	3,785

At 30 June 2020	11,325

Net book value:	
At 30 June 2020	9,999
	=====
At 30 June 2019	13,784
	=====

9. COMMITMENTS UNDER OPERATING LEASE

The company had the following total future minimum lease payments payable under non-cancellable operating lease:-

	<u>2020</u>	<u>2019</u>
	\$	\$
Not later than one year	150,000	-
Later than one year	137,500	-
	<u>287,500</u>	<u>-</u>

10. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Organization had the following material related party transactions during the year:-

	<u>2020</u>	<u>2019</u>
	\$	\$
Salaries paid to a director's spouse	<u>91,067</u>	<u>182,700</u>

11. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Organization's Board of Directors on 31 March 2021.