



ROUGH C LIMITED
草圖文化有限公司

Report and Financial statements
For the year ended 30 June 2020



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黎肇添會計師行
ST Lai & Co.
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

ROUGH C LIMITED
草圖文化有限公司

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30 JUNE 2020

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ROUGH C LIMITED
草圖文化有限公司

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended to 30 June 2020.

PRINCIPAL ACTIVITIES

The company is principally to promote culture and art for the benefit of the Hong Kong community.

ACCOUNTS

The results of the company for the year ended 30 June 2020 and the state of the company's affairs at that date are set out in the financial statements on pages 4 to 9.

DIRECTORS

The directors who held office during the year were:

HO	Kit Yee	
NG	Hiu Ling	
TSE	Kit Ha	
LAM	Yuk Lin	
CHAN	Mow Chiu Raymond	(resigned on 2020.12.14)

In accordance with the Company's article 20 of the Articles and Association, all the directors retire at the following Annual General Meeting 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 PROVISION

At no time during the financial year and up to the date of this report, there was no permitted indemnity provisions in force for the benefit of one or more directors of the company.

AUDITOR

A resolution will be proposed at the annual general meeting of the company to re-appoint Messrs. ST Lai & Co. as the auditor of the company.

On behalf of the Board



.....
Chairman - HO Kit Yee

Hong Kong, 28 October 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROUGH C LIMITED

草圖文化有限公司

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

Opinion

We have audited the financial statements of Rough C Limited (the "Company") set out on pages 4 to 9, which comprise the statement of financial position as at 30 June 2020, and the income statement and statement of changes in fund for year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements are prepared, in all material respects, 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 (the "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 PN 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.

Other Information

The directors are responsible for the other information. The other information comprises 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 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.

INDEPENDENT AUDITOR'S REPORT - continued

TO THE MEMBERS OF ROUGH C LIMITED

草圖文化有限公司

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

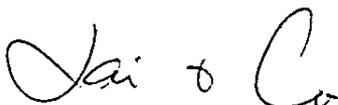
Auditor's Responsibilities for the Audit of the Financial Statements

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. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 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.



ST Lai & Co.
Certified Public Accountants
Hong Kong, 28 October 2021
Lai Siu Tim, Certificate number P03270

ROUGH C LIMITED
草圖文化有限公司

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
		HK\$	HK\$
INCOME	2	220,385	410,848
ADMINISTRATIVE EXPENSES		(488,671)	(211,000)
OTHER OPERATING EXPENSES		<u>(240,241)</u>	<u>(136,083)</u>
(DEFICIT)/SURPLUS FOR THE YEAR	3	<u>(508,527)</u>	<u>63,765</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

ROUGH C LIMITED
草圖文化有限公司

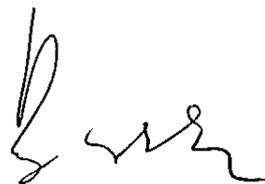
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 HK\$	2019 HK\$
CURRENT ASSETS			
Utility deposits		13,900	12,800
Prepayment		5,365	40,000
Temporary payment		1,292,043	-
Cash at bank		1,495,690	250,774
		<u>2,806,998</u>	<u>303,574</u>
CURRENT LIABILITIES			
Amounts due to directors	6	265,824	234,709
Temporary receipt		2,083,043	-
Customer deposit received		309,017	-
Accrued expenses		15,400	5,200
Other payable		578,576	-
		<u>3,251,860</u>	<u>239,909</u>
NET (LIABILITIES)/ASSETS		<u>(444,862)</u>	<u>63,665</u>
FUND			
At 1 July		63,665	(100)
(Deficit)/surplus for the year		(508,527)	63,765
At 30 June		<u>(444,862)</u>	<u>63,665</u>

The financial statements set out on pages 4 to 9 were approved by the board of directors on 28 October 2021.



HO Kit Yee - Director



NG Hiu Ling - Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

ROUGH C LIMITED
草圖文化有限公司

**STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE 2020**

	HK\$
At 1 July 2018	(100)
Deficit for the year	<u>63,765</u>
At 30 June 2019	63,665
Deficit for the year	<u>(508,527)</u>
At 31 June 2020	<u><u>(444,862)</u></u>

ROUGH C LIMITED
草圖文化有限公司

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

The company is a private limited company incorporated in Hong Kong with limited by guarantee and not having a share capital. The principal activities of the companies are to promote culture and art for the benefit of the Hong Kong community. The address of the registered office and principal place of business of the company is Room 1407, 14/F., New Trend Centre, 704 Prince Edward Road East, Kowloon, Hong Kong.

The Association is entitled to exemption under Section 88 of the Inland Revenue Ordinance (Cap.112) by reason of being a charitable institution or trust of a public character and is therefore, exempt from all taxes payable under the Ordinance.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The company qualifies for the reporting exemption as a small private company under Section 359 (1)(a) of the Hong Kong Companies Ordinance (Cap.622) and 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.

The financial statements have been prepared on a going concern basis because all the directors have agreed to provide adequate funds for the company to meet its liabilities as they fall due.

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

a. Recognition of revenue

Donations are recognised on accrual basis when receipt thereof is certain. Otherwise, they are recognised on cash basis. Interest income is recognised on a time-proportion basis using the effective interest method.

b. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand are subject to an insignificant risk of changes in value.

c. Impairment of assets

An assessment on assets is made at the end of each reporting period 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.

ROUGH C LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

2. INCOME

	2020	2019
	HK\$	HK\$
Bank interest income	93	45
Donation income	100,000	410,803
Events income	120,192	-
Sundry income	100	-
	<u>220,385</u>	<u>410,845</u>

3. DEFICIT BEFORE TAXATION

	2020	2019
	HK\$	HK\$
Deficit before taxation is arrived at after charging:		
Auditors remuneration	17,200	11,000
Key management personnel's remuneration	249,794	-
Other staff costs	<u>238,877</u>	<u>211,000</u>

4. PROFITS TAX

No provision for Hong Kong Profits Tax has been made in these financial statements, as the Association has no assessable profits for the reason of exemption under Section 88 of the Inland Revenue Ordinances.

5. DIRECTORS' EMOLUMENTS

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

	2021	2020
	HK\$	HK\$
Fees	-	-
Other emoluments	<u>249,793</u>	-
	<u>249,793</u>	<u>-</u>

ROUGH C LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

6. AMOUNTS DUE TO DIRECTORS

The amounts are unsecured, non-interest bearing and have no fixed repayment terms.

7. MEMBERS' FINANCIAL OBLIGATION

The Articles of Company of the company stipulates that the income and property of the company shall be applied solely towards the promotion of the objects of the company and no portion thereof shall be paid or distributed to its members.

In the event of the liquidation of the Company, every member and former member who ceased to be a member within one year of the date of liquidation shall be required to contribute an amount not exceeding HK\$100 each of Platinum member and HK\$50 for Diamond member for the payment of the Company's debts, liabilities, and the cost and expenses of liquidation.

(For management purposes only)

ROUGH C LIMITED

草圖文化有限公司

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	HKS	HKS
Bank interest income	93	45
Donation	100,000	410,803
Event income	120,192	-
Sundry income	100	-
	<u>220,385</u>	<u>410,848</u>
OPERATING EXPENSES		
Accounting fee	4,000	-
Auditor's remuneration	17,200	11,000
Bank charge	1,202	480
Consumable store	6,799	-
Directors' remuneration	249,793	-
Electricity and water	79	1,528
Event expenses	83,670	3,290
Insurance	3,206	15,132
Mandatory Provident Fund	25,295	-
Printing and stationery	5,528	4,084
Professional fee	29,000	-
Rental expenses	55,730	66,441
Salary	238,877	211,000
Sundry	7,417	750
Transportation	-	1,378
Web site expenses	1,116	32,000
	<u>728,912</u>	<u>347,083</u>
(DEFICIT)/SURPLUS FOR THE YEAR	<u>(508,527)</u>	<u>63,765</u>