

**ART IN HOSPITAL LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**RAYMOND S. W. HO & CO.**

**CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)**



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**ART IN HOSPITAL LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**ART IN HOSPITAL LIMITED  
COUNCILLORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

The Councillors present their annual report and the audited financial statements for the year ended 30 June 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is engaged in fund raising to provide services to the hospitalized patients and medical staff by bringing art into the environment of hospitals or other similar establishment.

**RESULTS**

The deficit of the Company for the year ended 30 June 2020 is set out in the statement of comprehensive income and expenditure on page 7 to 8.

**FUND**

Details of movements in fund are set out in the statement of changes in fund on page 9.

**PROPERTY, PLANT AND EQUIPMENT**

Details of the movements in property, plant and equipment of the Company during the year are set out in note 6 to the financial statements.

**DEBENTURES**

No debenture was issued during the year.

**EQUITY-LINKED ARRANGEMENTS**

The Company did not enter into any equity-linked agreements during the year and no equity-linked agreements subsisted at the year end.

## **COUNCILLORS**

The Councillors who held office during the year and up to the date of this report were:-

Mr. HO Hing Kay  
Ms. CHAN Wah Ching, Corinia  
Ms. CHANG Man Yan, Fiona  
Ms. LO Ka Chuen  
Ms. LAI Bik Lin

In accordance with Article 44 of the Company's Articles of Association, at the Annual General Meeting to be held next after the adoption of these Articles and at every succeeding Annual General Meeting the Councillors shall retire from office and shall be eligible for re-election.

## **AGREEMENTS TO PURCHASE SHARES OR DEBENTURES**

At no time during the year was the Company a party to any arrangement to enable the Councillors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## **COUNCILLORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

No transactions, arrangements or contracts of significance to which the Company was a party, and in which a Councillor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## **MANAGEMENT CONTRACTS**

No contracts 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**

At no time during the year and up to the date of this Councillors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Councillors of the Company.

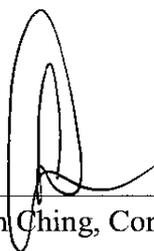
## **BUSINESS REVIEW**

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

## **AUDITORS**

The financial statements have been audited by Messrs. Raymond S. W. Ho & Co., Certified Public Accountants (Practising), who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board

A handwritten signature in black ink, consisting of a large, stylized loop followed by a smaller loop and a trailing flourish.

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CHAN Wah Ching, Corinia  
Chairperson

Hong Kong, 24 May 2021



**INDEPENDENT HONORARY AUDITOR'S REPORT  
TO THE MEMBERS OF ART IN HOSPITAL LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)

**Opinion**

We have audited the financial statements of Art In Hospital Limited (“the Company”) set out on pages 7 to 37, which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive income and expenditure, statement of changes in fund 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 Company 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 Standards (“HKFRSs”) 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 *Honorary 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.

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Councillors are responsible for the other information. The other information comprises the information included in the Councillors’ 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 Councillors and Those Charged with Governance for the Financial Statements**

The Councillors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Councillors 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 Councillors 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 Councillors 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.

### **Honorary 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 (Cap.622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of the Councillors' 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.
- 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.



Raymond S. W. Ho & Co.

**Certified Public Accountants (Practising)**

Room 1111, 11/F., Wing On Plaza, 62 Mody Road,  
Tsim Sha Tsui East, Kowloon, Hong Kong.  
24 May 2021

**ART IN HOSPITAL LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>INCOME</b>		
Donations received	138,458	1,566,977
Grant received from Hong Kong Arts Development Council	437,000	1,017,249
Project income	3,160	59,528
Sponsorship and grant received from the Community Chest	1,776,080	755,775
Anti-epidemic Fund received from the HKSAR Government	125,862	-
Other sponsorship received and receivable	241,800	-
	<u>2,722,360</u>	<u>3,399,529</u>
<b>LESS: DIRECT COST</b>		
Artist fee	-	75,000
Assistant fee	10,200	70,760
Editorial and translation fee	104,381	-
Installation	20,000	59,140
Local travelling	26,399	12,130
Mandatory Provident Fund contribution	75,182	70,394
Oversea travelling	-	5,858
Program materials expenses	397,284	972,379
Salaries	1,549,308	1,459,792
Storage rental	81,279	81,600
Sundry expense	24,969	61,320
Transportation	50,221	88,103
Tutor fee	223,200	268,000
Venue cost	21,894	32,060
	<u>2,584,317</u>	<u>3,256,536</u>
	138,043	142,993

**ART IN HOSPITAL LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 HK\$	2019 HK\$
<b>ADD: OTHER INCOME</b>			
Bank interest income		2,158	3,267
<b>LESS: OTHER EXPENDITURE</b>			
Bank charges		970	1,270
Depreciation	6	39,002	44,313
Depreciation on right-of-use asset	7	48,000	-
Filing fee		870	-
Insurance		39,876	31,635
Office rental		-	48,000
Office repairs and maintenance		7,891	650
Printing and stationery		18,873	24,584
		<u>155,482</u>	<u>150,452</u>
<b>DEFICIT FOR THE YEAR</b>		(15,281)	(4,192)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE EXPENDITURE FOR THE YEAR</b>		<u>(15,281)</u>	<u>(4,192)</u>

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

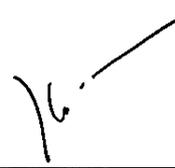
	<b>General fund HK\$</b>
At 1 July 2018	2,646,093
Total comprehensive expenditure for the year	<u>(4,192)</u>
At 30 June 2019 and 1 July 2019	2,641,901
Total comprehensive expenditure for the year	<u>(15,281)</u>
At 30 June 2020	<u>2,626,620</u>

**ART IN HOSPITAL LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS At 30 JUNE 2020**

	Notes	2020 HK\$	2019 HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	30,936	51,539
Right-of-use asset	7	76,000	-
		<u>106,936</u>	<u>51,539</u>
<b>Current assets</b>			
Rental and utility deposits		69,050	34,700
Prepayments		815,362	1,292,544
Grant receivables		52,700	338,714
Sponsorship receivable		352,538	505,912
Postponed approved activity payments	9	109,123	51,518
Other receivables		6,862	10,615
Cash and bank balances		5,651,686	5,336,632
		<u>7,057,321</u>	<u>7,570,635</u>
<b>Current liabilities</b>			
Accrued expenses		(65,734)	(274,730)
Sponsorship received in advance		(4,188,453)	(4,498,093)
Postponed approved activity receipts	9	(207,450)	(207,450)
Lease liability	8	(48,000)	-
		<u>(4,509,637)</u>	<u>(4,980,273)</u>
<b>Net current assets</b>		<u>2,547,684</u>	<u>2,590,362</u>
<b>Non-current liability</b>			
Lease liability	8	(28,000)	-
<b>Net assets</b>		<u>2,626,620</u>	<u>2,641,901</u>
<b>Accumulated fund</b>			
General fund	5	<u>2,626,620</u>	<u>2,641,901</u>

Approved by the Board of Councillors on 24 May 2021

  
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 CHAN Wah Ching, Corinia  
 Chairperson

  
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 CHANG Man Yan, Fiona  
 Councillor

The accompanying notes form an integral part of these financial statements.

**ART IN HOSPITAL LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Cash flows from operating activities</b>		
Deficit for the year	(15,281)	(4,192)
Adjustments for:		
Bank interest income	(2,158)	(3,267)
Depreciation	39,002	44,313
Depreciation on right-of-use asset	48,000	-
<b>Surplus from operations before movements in working capital</b>	<b>69,563</b>	<b>36,854</b>
(Increase) / decrease in rental and utility deposits	(34,350)	4,500
Decrease in prepayments	477,182	193,893
Decrease / (increase) in grant receivables	286,014	(48,995)
Decrease / (increase) in sponsorship receivable	153,374	(388,920)
Increase in postponed approved activity payments	(57,605)	(51,518)
Decrease / (increase) in other receivables	3,753	(9,111)
(Decrease) / increase in accrued expenses	(208,996)	40,753
(Decrease) / increase in sponsorship received in advance	(309,640)	1,613,484
Increase in postponed approved activity receipts	-	207,450
<b>Net cash generated from operating activities</b>	<b>379,295</b>	<b>1,598,390</b>
<b>Investing activities</b>		
Bank interest income received	2,158	3,267
Purchase of property, plant and equipment	(18,399)	(23,455)
<b>Net cash used in investing activities</b>	<b>(16,241)</b>	<b>(20,188)</b>
<b>Financing activity</b>		
Repayment of lease liability	(48,000)	-
<b>Net cash used in financing activity</b>	<b>(48,000)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>315,054</b>	<b>1,578,202</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,336,632</b>	<b>3,758,430</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5,651,686</b>	<b>5,336,632</b>
<b>Analysis of the balance of cash and cash equivalents</b>		
Cash and bank balances	5,651,686	5,336,632

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**1. STATUS AND PRINCIPAL ACTIVITIES**

Art In Hospital Limited is incorporated in Hong Kong and limited by guarantee.

The address of its registered office is Room 704A, 7/F, 2 Harbour Road, Wanchai, Hong Kong.

Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up while he or she is a member or within one year afterwards, for payment of the debts and liabilities of the Company contracted before he or she ceases to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding HK\$100.

The principal activity of the Company is engaged in fund raising to provide services to the hospitalized patients and medical staff by bringing art into the environment of hospitals or other similar establishment.

These financial statements are presented in units of Hong Kong Dollars (HK\$), unless otherwise stated. These financial statements have been approved for issue by the Board of Councillors on 24 May 2021.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Basis of preparation (Continued)**

The adoption of new/revised HKFRS

In 2020, the Company has initially applied the following standards, amendments and interpretations (“new HKFRSs”) issued by HKICPA which are effective or have become effective.

HKFRSs	Improvements to HKFRSs (2017)
HKAS 19 (Amendment)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Company’s financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

HKFRS 16 “Leases”

The Company has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases” (“HKAS 17”), and the related interpretations.

Accounting policies resulting from application of HKFRS 16 are disclosed in note 2(k).

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Basis of preparation (Continued)**

Definition of a lease

The Company has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Company has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 July 2019, the Company applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Company has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 July 2019.

As at 1 July 2019, the Company recognised additional lease liability and measured right-of-use asset at the carrying amounts as if HKFRS 16 had been applied since commencement date.

When applying the modified retrospective approach under HKFRS 16 at transition, the Company applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- (i) relied on the assessment of whether leases are onerous by applying HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as an alternative of impairment review;
- (ii) accounted for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases; and
- (iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Basis of preparation (Continued)**

The following adjustments were made to the amounts recognised in the statement of financial position at 1 July 2019. Line items that were not affected by the changes have not been included.

	<b>Carrying amounts previously reported at 30 June 2019 HK\$</b>	<b>Adjustments HK\$</b>	<b>Carrying amounts under HKFRS 16 at 1 July 2019 HK\$</b>
<b>Non-current assets</b>			
Right-of-use asset	-	28,000	28,000
<b>Current liabilities</b>			
Lease liability	-	<u>(28,000)</u>	(28,000)

There is no significant difference between the amount of the operating lease commitments disclosed applying HKAS 17 at 30 June 2019, and the amount of lease liability recognised in the statement of financial position at 1 July 2019.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Basis of preparation (Continued)**

The Company has not applied the following standards, amendments or interpretations that have been issued but are not yet effective. Unless otherwise stated, these HKFRSs are effective for annual periods beginning on or after 1 January 2020:

HKFRSs <sup>(5)</sup>	Improvements to HKFRSs (2020)
HKAS 1 and HKAS 8 (Amendment) <sup>(1)</sup>	Definition of Material
HKAS 1 (Amendment) <sup>(6)</sup>	Classification of Liabilities as Current or Non-current
HKAS 39, HKFRS 7 and HKFRS 9 (Amendment) <sup>(1)</sup>	Interest Rate Benchmark Reform
HKFRS 3 (Amendment) <sup>(2)</sup>	Definition of a Business
HKFRS 3, HKAS 16 and HKAS 37 <sup>(5)</sup>	Narrow-scope amendments
HKFRS 10 and HKAS 28 (Amendment) <sup>(7)</sup>	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 16 (Amendment) <sup>(3)</sup>	Covid-19-Related Rent Concessions
HKFRS 17 <sup>(4)</sup>	Insurance Contracts

- (1) Effective for annual periods beginning on or after 1 January 2020
- (2) Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
- (3) Effective for annual periods beginning on or after 1 June 2020
- (4) Effective for annual periods beginning on or after 1 January 2021
- (5) Effective for annual periods beginning on or after 1 January 2022
- (6) Effective for annual periods beginning on or after 1 January 2023.
- (7) Effective for annual periods beginning on or after a date to be determined.

The Company expects that the adoption of these standards, amendments or interpretations will not have any significant impact on the results and the financial position of the Company.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Revenue recognition**

Donations received from fund raising activities are recognised in the accounts on cash basis and includes all sums received up to the reporting date.

Grant, project income and sponsorships are recognised on an accrual basis.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

**(c) Taxation**

The Company is exempted under Section 88 of The Inland Revenue Ordinance from any tax levied in Hong Kong by reason of being a charitable institution.

**(d) Foreign currency transaction**

**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in HK Dollars, which is the Company’s functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income and expenditure.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of comprehensive income and expenditure in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment and the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is provided on the straight-line basis to write off the cost of each asset over their estimated useful lives on a straight-line basis of the following annual rates:

Furniture and fixtures	30%
Office equipment	30%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of comprehensive income and expenditure in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting

**(g) Financial instruments**

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial instruments (Continued)**

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

**(i) Financial assets**

Classification and subsequent measurement

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9 the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial instruments (Continued)**

**(i) Financial assets (Continued)**

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Company may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

*Amortised cost and interest income:*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial instruments (Continued)**

**(ii) Financial liabilities**

Financial liabilities at amortised cost

Financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Derecognition

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**(h) Credit losses of financial assets**

The Company recognises a loss allowance for expected credit losses (“ECL”) on financial assets which are subject to impairment under HKFRS 9 (including accounts receivable and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Credit losses of financial assets (Continued)**

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

(ii) Definition of default

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Credit losses of financial assets (Continued)**

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information regarding specific exposures that is reasonable, supportable and available without undue cost or effort. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the effective interest rate determined at initial recognition.

**(i) Employee benefits**

The Company operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance in Hong Kong, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income and expenditure account 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 Company in an independently administered fund.

**(j) Cash and cash equivalents**

For the purpose of the cash flows statement, cash and cash equivalents comprise bank balance.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Leases**

*Policy applicable to the year ended 30 June 2020*

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Company assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Company as a lessee

*Allocation of consideration to components of a contract:*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Leases (Continued)**

*Short-term leases and leases of low-value assets:*

The Company applies the short-term lease recognition exemption to leases of leased properties and machinery and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

*Right-of-use assets:*

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company presents right-of-use assets as a separate line item on the statement of financial position.

*Lease liabilities:*

At the commencement date of a lease, the Company recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Leases (Continued)**

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Company exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Company remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Company presents lease liabilities as a separate line item on the statement of financial position.

*Lease modifications:*

The Company accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Leases (Continued)**

For a lease modification that is not accounted for as a separate lease, the Company remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

*Policy applicable to the year ended 30 June 2019*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the statement of comprehensive income on a straight-line basis over the period of the lease.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) Related parties**

- (a) A person or a close member of that person's family is related to the Company if that person:
- (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

**(m) General fund**

General fund represent the accumulated operating surplus.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. FINANCIAL RISK MANAGEMENT**

**(a) Categories of financial instruments**

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(i) Financial assets</b>		
Financial assets at amortised cost, including cash and cash equivalent:		
- Rental and utility deposits	69,050	34,700
- Prepayments	815,362	1,292,544
- Grant receivables	52,700	338,714
- Sponsorship receivable	352,538	505,912
- Postponed approved activity payments	109,123	51,518
- Other receivables	6,862	10,615
- Cash and cash equivalents	5,651,686	5,336,632
	<u>7,057,321</u>	<u>7,570,635</u>
	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>(ii) Financial liabilities</b>		
Amortised cost:		
- Accrued expenses	65,734	274,730
- Sponsorship received in advance	4,188,453	4,498,093
- Postponed approved activity receipts	207,450	207,450
- Lease liability	48,000	-
	<u>4,509,637</u>	<u>4,980,273</u>

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Financial risk management objectives and policies**

The Company's major financial instruments include rental and utility deposits, prepayments, grant receivables, sponsorship receivable, postponed approved activity payments, other receivables, bank balances, accrued expenses, sponsorship received in advance, postponed approved activity receipts and lease liability. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (including foreign exchange risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Market risk

(1) Currency risk

The Councillors consider that the Company's exposure to foreign currency exchange risk is insignificant.

The Councillors consider that the sensitivity of the Company's exposure towards the change in foreign exchange rates is minimal as all of the Company's assets and liabilities are denominated in Hong Kong Dollar as at each of the reporting dates.

(2) Other price risk

As the Company has no significant financial instrument which has an open market, the Company's income and operating cash flows are substantially independent of price risk.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Financial risk management objectives and policies (Continued)**

**(i) Credit risk**

As at 30 June 2020 and 30 June 2019, other than financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company is arising from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The credit risk in relation to bank balances is limited because the counterparty is a financial institution with high credit-ratings assigned by international credit-rating agencies.

**(iii) Liquidity risk**

The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient funds of cash and adequate committed lines of funding from financial institutions or providers of finance to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Financial risk management objectives and policies (Continued)**

	<b>Within 3 months or on demand HK\$</b>	<b>Over 3 months HK\$</b>	<b>Total HK\$</b>
<b>At 30 June 2020</b>			
Non-derivative financial liabilities			
Accrued expenses	65,734	-	65,734
Sponsorship received in advance	4,188,453	-	4,188,453
Postponed approved activity receipts	207,450	-	207,450
Lease liability	48,000	-	48,000
	<u>4,509,637</u>	<u>-</u>	<u>4,509,637</u>
<b>At 30 June 2019</b>			
Non-derivative financial liabilities			
Accrued expenses	274,730	-	274,730
Sponsorship received in advance	4,498,093	-	4,498,093
Postponed approved activity receipts	207,450	-	207,450
	<u>4,980,273</u>	<u>-</u>	<u>4,980,273</u>

**(c) Fair value estimation**

The Company does not hold financial instruments that are traded in active market.

The Company makes assumptions that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in financial statements approximate their fair values.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**4. COUNCILLORS' REMUNERATION**

Remuneration of the Councillors disclosed pursuant to Section 383(1) of the Companies Ordinance is as follows:

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Fees	Nil	Nil
Other emoluments	Nil	Nil
	<u>Nil</u>	<u>Nil</u>

**5. ACCUMULATED FUND**

Details of movements in accumulated fund are set out in the statement of changes in fund on page 9.

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**6. PROPERTY, PLANT AND EQUIPMENT**

	<b>Furniture and fixtures HK\$</b>	<b>Office equipment HK\$</b>	<b>Total HK\$</b>
<b>At 1 July 2018</b>			
Cost	6,154	430,321	436,475
Accumulated depreciation	(5,667)	(358,411)	(364,078)
Net book value	<u>487</u>	<u>71,910</u>	<u>72,397</u>
<b>Year ended 30 June 2019</b>			
Opening net book value	487	71,910	72,397
Additions	-	23,455	23,455
Depreciation	(487)	(43,826)	(44,313)
Closing net book value	<u>-</u>	<u>51,539</u>	<u>51,539</u>
<b>At 30 June 2019</b>			
Cost	6,154	453,776	459,930
Accumulated depreciation	(6,154)	(402,237)	(408,391)
Net book value	<u>-</u>	<u>51,539</u>	<u>51,539</u>
<b>Year ended 30 June 2020</b>			
Opening net book value	-	51,539	51,539
Additions	-	18,399	18,399
Depreciation	-	(39,002)	(39,002)
Closing net book value	<u>-</u>	<u>30,936</u>	<u>30,936</u>
<b>At 30 June 2020</b>			
Cost	6,154	447,275	453,429
Accumulated depreciation	(6,154)	(416,339)	(422,493)
Net book value	<u>-</u>	<u>30,936</u>	<u>30,936</u>

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**7. RIGHT-OF-USE ASSET**

	<b>Leased property HK\$</b>
<b>At 1 July 2019</b>	
Cost	-
Accumulated depreciation	-
Net book value	<u>-</u>
<b>Year ended 30 June 2020</b>	
Opening net book value	-
Addition	124,000
Depreciation	(48,000)
Closing net book value	<u>76,000</u>
<b>At 30 June 2020</b>	
Cost	124,000
Accumulated depreciation	(48,000)
Net book value	<u>76,000</u>

Expense relating to a short-term lease is HK\$81,279.

Total cash outflow for the lease is HK\$48,000.

**8. LEASE LIABILITY**

	<b>2020 HK\$</b>	<b>2019 HK\$</b>
Not later than one year	48,000	-
Later than one year and not later than five years	28,000	-
	<u>76,000</u>	<u>-</u>

**ART IN HOSPITAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. POSTPONED APPROVED ACTIVITY**

During the year ended 30 June 2019, the Company received a year grant from Hong Kong Arts Development Council to organize a postponed extra activity called “延新廿五載”. Receipt and payment details of the activity are set out as follows:

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Actual receipts for the year	207,450	207,450
Provision for receipts in the following years	23,050	23,050
	<u>230,500</u>	<u>230,500</u>
Actual payments for the year	109,123	51,518
Provision for payments in the following years	121,377	178,982
	<u>230,500</u>	<u>230,500</u>
Surplus for the activity	<u>-</u>	<u>-</u>

**10. OPERATING LEASES COMMITMENTS**

At 30 June 2020, the Company had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Not later than one year	<u>-</u>	<u>35,019</u>