

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

Reports and Audited Financial Statements

For the year ended 30 June 2020



CCS & Company
Certified Public Accountants



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**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE DIRECTORS

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

Principal activities

The principle activities of the Association were to promote audio description to the public by training audio describers to serve Hong Kong community and to conduct research for improvement of quality; and to provide quality audio description services on a non-profit making basis.

Results and state of affairs

The results of the Association for the year ended 30 June 2020 and the state of the Association's affairs as at 30 June 2020 are set out in the financial statements on pages 6 to 11.

Directors

The directors during the year and up to the date of this report were:

Leung Kwok Wing
Tsang Fan Chun

In accordance with Article 20 of the Association's Articles of Association, the directors continue in office.

Permitted indemnity provision

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of the directors of the Association.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of the directors of the Association.

Business review

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

to be continued.....

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE DIRECTORS

Continuation - 2 -

EQUITY-LINKED ARRANGEMENTS

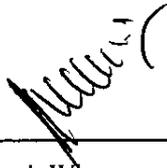
During the financial year, the Association entered into no equity-linked agreement.

At the end of the financial year, the Association subsisted of no equity-linked agreement.

Auditors

CCS & Company, Certified Public Accountants, having been appointed auditor in succession to Messrs. Oscar Wong CPA & Co., Certified Public Accountants during the year, retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of CCS & Company, Certified Public Accountants, as the Association's auditor is to be proposed at the forthcoming annual general meeting.

On behalf of the Board



Leung Kwok Wing

Director

Hong Kong, 14 April 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED**
(incorporated in Hong Kong with limited liability by guarantee)

Opinion

We have audited the financial statements of Audio Description Association (Hong Kong) Limited ("the Association") set out on pages 6 to 11, which comprise the statement of financial position as at 30 June 2020, and the income statement and the statement of changes in equity for the year then ended, and a notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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 information included in the report of the directors set out on pages 1 to 2 and detailed income statement set out on page 12, 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.

to be continued.....

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability by guarantee)

Continuation - 2 -

Responsibilities of the Directors for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to 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. Our objective 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) 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.

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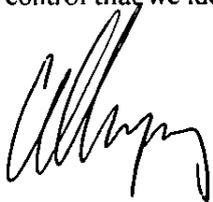
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED**
(incorporated in Hong Kong with limited liability by guarantee)

Continuation - 3 -

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

- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (d) 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with the corporate 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



CCS & Company
Certified Public Accountants
Hong Kong, 14 April 2021

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 HK\$	2019 HK\$
Revenue	3	2,279,998	833,358
Administrative expenses		<u>(1,409,046)</u>	<u>(937,842)</u>
Surplus/(deficit) for the year	5	<u>870,952</u>	<u>(104,484)</u>

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

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	2020 HK\$	2019 HK\$
Current assets		
Deposit paid	22,000	10,000
Bank balances	1,032,194	134,303
	<u>1,054,194</u>	<u>144,303</u>
Current liabilities		
Accruals	50,000	9,000
Other payables	183,503	234,870
Bank overdrafts	49,306	-
	<u>282,809</u>	<u>243,870</u>
Net assets/(liabilities)	<u>771,385</u>	<u>(99,567)</u>
Equity		
Accumulated surplus/(deficit)	<u>771,385</u>	<u>(99,567)</u>

The financial statements were approved and authorised for issue by Board of Directors on 14 April 2021:



Leung Kwok Wing
Director



Tsang Fan Chun
Director

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

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated surplus/ (deficit) HK\$
Balance as at 30 June 2019	(99,567)
Surplus for the year	<u>870,952</u>
Balance as at 30 June 2020	<u><u>771,385</u></u>

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

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2020

1 GENERAL INFORMATION

Audio Description Association (Hong Kong) Limited (“the Association”) is a non-profit-making company with limited liability by guarantee. Every member is liable to contribute to the assets of the Association a sum not exceeding HK\$100 in the event of its winding up.

The principle activities of the Association were to promote audio description to the public by training audio describers to serve Hong Kong community and to conduct research for improvement of quality; and to provide quality audio description services on a non-profit making basis.

The Association’s registered address is Rm 1701, 17/F, New Trend Centre, 104 King Fuk Street, San Po Kong, Kowloon, Hong Kong.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

The Association qualifies for the reporting exemption as a small guarantee company under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual financial statements in accordance with SME-FRS. The financial statements have been prepared in accordance with SME-FRS.

The measurement basis used in preparing the financial statements is historical cost.

(b) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably.

- (i) donation income and membership income are recognised on the basis of actual cash received during the year;
- (ii) service income is recognised when the services are rendered;
- (iii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable;

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition (continued)

- (iv) subvention income is recognised when there is a reasonable assurance that the Association will comply with the conditions attaching to it and that the subvention will be received. Private subvention relating to income are deferred and recognised in the income and expenditure account over the period necessary to match them with the costs they are intended to compensate; and

(c) Income tax

No provision for Hong Kong profit tax is made in the financial statements as the Association is exempted from all taxes under section 88 of the Inland Revenue Ordinance. Accordingly, no current and deferred taxation is accounted for in the financial statements.

(d) Foreign exchange

The reporting currency of the Association is Hong Kong Dollars, which is the currency of primary economic environment in which the Association operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction data. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rate applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(e) Operating lease

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating lease. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2020

3 REVENUE

	2020 HK\$	2019 HK\$
Training and other service income	420,802	585,486
Subvention income	-	100,000
Donation income	556,650	121,467
Donation from The Hong Kong Jockey Club Charities Trust	502,000	-
Donation from Operation Santa Claus 2019	800,000	-
Membership fee income	480	1,240
Award	-	25,000
Bank interest income	66	165
Total revenue for the year	<u>2,279,998</u>	<u>833,358</u>

4 DIRECTORS' REMUNERATION

The directors do not receive any fees or emoluments in respect of their services to the Association during the year (2019: nil).

5 SURPLUS/(DEFICIT) FOR THE YEAR

	2020 HK\$	2019 HK\$
Surplus/(deficit) for the year is stated after charging:		
MPF contributions	12,155	-
Salaries and allowances	378,000	76,995
Staff messing	<u>38,507</u>	<u>2,130</u>

6 TAXATION

No provision for taxation has been made in the financial statements as the Association is exempt from Hong Kong tax under Section 88 of the Inland Revenue Ordinance.

7 OPERATING LEASE COMMITMENT

The Association's total future minimum lease payments under non-cancellable operating lease are payable as follows:

	2020 HK\$	2019 HK\$
Within a year	210,000	66,000
More than a year	<u>168,000</u>	-
	<u>378,000</u>	<u>66,000</u>

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

APPENDIX

DETAILED INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

(FOR MANAGEMENT INFORMATION PURPOSES ONLY)

	2020 HK\$	2019 HK\$
REVENUE		
Training and other service income	420,802	585,486
Subvention income	-	100,000
Donation income	556,650	121,467
Donation from The Hong Kong Jockey Club Charities Trust	502,000	-
Donation from Operation Santa Claus 2019	800,000	-
Membership fee	480	1,240
Award	-	25,000
Bank interest income	66	165
	<u>2,279,998</u>	<u>833,358</u>
LESS: ADMINISTRATIVE EXPENSES		
Accommodation	1,565	12,123
Accountancy fee	-	2,000
Activity cost	16,661	-
Annual fee	105	-
Auditor's remuneration	8,000	7,000
Bank charges	500	500
Domain	800	-
Insurance	-	3,821
Hygiene products	409,720	-
IT-related expenses	80,708	23,122
Miscellaneous	4,737	8,505
MPF contributions	12,155	-
Office supplies	12,595	-
Productions	22,600	-
Promotion	85,750	64,503
Props and tactile paintings	-	1,201
Reference materials	4,939	-
Rent and rates	120,000	94,700
Salaries and allowances	378,000	76,995
Staff messing	38,507	2,130
Sub-contracting fees	165,500	611,250
Telephone and fax	-	1,296
Tickets	-	680

to be continued.....

**AUDIO DESCRIPTION ASSOCIATION (HONG KONG) LIMITED
(LIMITED BY GUARANTEE)**

APPENDIX

DETAILED INCOME AND EXPENDITURE STATEMENT - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2020

(FOR MANAGEMENT INFORMATION PURPOSES ONLY)

	2020 HK\$	2019 HK\$
LESS: ADMINISTRATIVE EXPENSES -CONTIUNED		
Travelling	31,364	28,016
Training	14,840	-
TOTAL EXPENDITURE	<u>1,409,046</u>	<u>937,842</u>
SURPLUS/(DEFICIT) FOR THE YEAR	<u>870,952</u>	<u>(104,484)</u>

The financial information on this page is not the Association's statutory annual financial statements for the year ended 30 June 2020. As the Association is a company limited by guarantee, the Association is required to deliver its financial statements to the Registrar of Companies. The Association's auditor has reported on those financial statements. The auditor's report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2) or 407(2) or (3) of the Hong Kong Companies Ordinance.