

FINANCIAL REPORT

財務報表

香港藝術發展局 (「藝發局」)

截至二零一九年三月三十一日止年度
綜合財務報表

HONG KONG ARTS DEVELOPMENT COUNCIL (“THE COUNCIL”)

Consolidated Financial Statements
for the year ended 31 March 2019

藝發局大會委員報告

藝發局大會委員欣然將截至二零一九年三月三十一日止年度的年報及經審核財務報表呈覽。

REPORT OF THE COUNCIL MEMBERS

The Council members have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2019.

主要活動

藝發局的主要活動是推廣及支持香港藝術發展，造福社會。

香港藝術發展公益基金及香港藝術發展基金(「信託基金」)的主要活動載列於本財務報表附註1。

藝發局委員

藝發局於本財政年度內及截至本報告刊發當日的大會委員如下：

王英偉博士 (主席)
李偉民先生 (副主席)
陳志超先生
陳錦成先生
陳健彬先生
陳偉儀女士
鄭禕女士
邱詠筠女士
周博賢先生
鍾小梅女士
黑國強先生
藍列群女士
李俊亮先生
梁崇任先生
盧偉力博士
梅卓燕女士
吳傑莊博士
吳瑞雲先生
鮑藹倫女士
龐建貽先生
司徒旭先生
鄧宛霞博士
唐慶枝先生
楊國樑先生
民政事務局局长或其代表
教育局常任秘書長或其代表
康樂及文化事務署署長或其代表

管理合約

本集團及藝發局於年結時或本年度內任何時間，均沒有訂立任何藝發局委員直接或間接擁有重大利益的重要合約。同時在本年度內，並無簽定或存在任何與本集團及藝發局營運的整體或任何重要部份有關的管理及行政合約。

核數師

畢馬威會計師事務所任滿告退，並願膺選連任。

承藝發局命

主席
香港，二零一九年九月二十四日

Principal activities

The principal activities of the Council are to promote and support the development of the arts in Hong Kong for the benefit of the community.

The principal activities of the Hong Kong Arts Community Fund and Hong Kong Arts Development Fund (“the Trust Funds”) are set out in note 1 to the financial statements.

The Council members

The Council members during the financial year and up to the date of this report were:

Dr Wilfred WONG Ying-wai (Chairman)
Mr Maurice LEE Wai-man (Vice-Chairman)
Mr Henry CHAN Chi-chiu
Mr CHAN Kam-shing
Mr CHAN Kin-bun
Ms CHAN Wai-yee
Ms Caroline CHENG-yi
Ms Winnie CHIU Wing-kwan
Mr CHOW Pok-yin
Ms Ribble CHUNG Siu-mui
Mr Andy HEI
Ms LAM Lit-kwan
Mr LEE Chun-leung
Mr LEUNG Sung-yum
Dr LO Wai-luk
Ms MUI Cheuk-yin
Dr Johnny NG Kit-chong
Mr NG Sui-wan
Ms Ellen PAU
Mr PONG Kin-yee
Mr SE-TO Yok
Dr TANG Yuen-ha
Mr Patrick TONG Hing-chi
Mr Paul YEUNG Kwok-leung
Secretary for Home Affairs or his representative
Permanent Secretary for Education or his representative
Director of Leisure and Cultural Services or his representative

Management contracts

No contract of significance to which the Group and the Council was a party and in which a Council member had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. No contract concerning the management and administration of the whole or any substantial part of the operations of the Group and the Council was entered into or existed during the year.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment.

By order of the Council

Chairman
Hong Kong, 24 September 2019

獨立核數師報告書 致香港藝術發展局 大會委員

(根據《香港藝術發展局條例》於香港註冊成立)

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF HONG KONG ARTS DEVELOPMENT COUNCIL

(Incorporated in Hong Kong under the Hong Kong Arts Development Council Ordinance)

意見

本核數師(以下簡稱「我們」)已審核列載於第115至136頁香港藝術發展局(「藝發局」)及其信託基金(「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一九年三月三十一日的綜合財務狀況表及截至該日止年度的綜合收支表、綜合全面收益表、綜合資金變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一九年三月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

綜合財務報表及其核數師報告以外的信息

藝發局需對其他信息負責。其他信息包括刊載於年報內的全部信息,但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息,我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計,我們的責任是閱讀其他信息,在此過程中,考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作,如果我們認為其他信息存在重大錯誤陳述,我們需要報告該事實。在這方面,我們沒有任何報告。

藝發局就綜合財務報表須承擔的責任

藝發局須負責根據香港會計師公會頒布的《香港財務報告準則》及《香港藝術發展局條例》擬備真實而中肯的綜合財務報表,並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時,藝發局負責評估貴集團持續經營的能力,並在適用情況下披露與持續經營有關的事項,以及使用持續經營為會計基礎,除非藝發局有意將貴集團清盤或停止經營,或別無其他實際的替代方案。

Opinion

We have audited the consolidated financial statements of Hong Kong Arts Development Council ("the Council") and its Trust Funds ("the Group") set out on pages 115 to 136, which comprise the consolidated statement of financial position as at 31 March 2019, the consolidated statement of income and expenditure, the consolidated statement of comprehensive income, the consolidated statement of changes in funds and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019 and of its consolidated financial performance and its consolidated 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").

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 *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group 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 consolidated financial statements and auditor's report thereon

The Council is responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Council for the consolidated financial statements

The Council is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Arts Development Council Ordinance and for such internal control as the Council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Council is responsible for assessing the Group'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 Council either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照業務約定條款，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價藝發局所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對藝發局採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與藝發局溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

畢馬威會計師事務所
執業會計師
香港中環遮打道10號太子大廈8樓
二零一九年九月二十四日

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 our agreed terms of engagement, 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 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 consolidated 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:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Council's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council 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.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
24 September 2019

綜合收支表
截至二零一九年
三月三十一日止年度

(以港幣列示)

CONSOLIDATED STATEMENT OF INCOME
AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2019

(Expressed in Hong Kong dollars)

	附註 Note	2019	2018
		\$	\$
收入	Income		
撥款收入來源：	Subvention income from Hong Kong:		
- 香港特別行政區政府	- SAR Government:		
- 經常性資助	- Recurrent	152,215,000	124,472,000
- 遞延收入的確認	- Realisation of deferred income	1,924,851	2,634,075
- 藝術及體育發展基金	- Arts and Sport Development Fund	32,626,007	23,691,168
- 民政事務局資助收入	- Grant income from Home Affairs Bureau	26,021,021	19,195,832
- ADC 藝術空間資助收入	- Grant income for ADC Artspace	238,233	164,969
- 藝術發展配對資助計劃資助收入	- Grant income for Art Development Matching Grants Scheme	13,088,186	12,564,424
ADC 藝術空間的收入	Income from ADC Artspace	1,586,547	1,018,165
贊助收入	Sponsorship income	20,095,793	19,612,384
利息收入	Interest income	2,676,128	1,149,813
其他收入	Other income	464,674	302,713
	3	250,936,440	204,805,543
支出	Expenditure		
資助開支	Grant expenditure	4	99,717,681
藝術發展項目	Arts development projects	5	102,874,755
行政費用	Administrative expenses	6	47,346,381
		249,938,817	204,786,801
年度盈餘	Surplus for the year	997,623	18,742

綜合全面收益表
截至二零一九年
三月三十一日止年度

在所示兩個年度，除了「年度盈餘」一項，本集團並無全面收益的組成部分。由於本集團在該兩個年度的「全面收益總額」相等於「年度盈餘」，因此並無另外列報綜合全面收益表。

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

The Group had no components of comprehensive income other than the “surplus for the year” in either of the years presented. Accordingly, no separate consolidated statement of comprehensive income is presented as the Group’s “total comprehensive income” was the same as the “surplus for the year” in both years.

綜合財務狀況表
於二零一九年
三月三十一日

(以港幣列示)

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AT 31 MARCH 2019

(Expressed in Hong Kong dollars)

	附註 Note	2019	2018
		\$	\$
資產	ASSETS		
非流動資產	Non-current asset		
物業、廠房及設備	Property, plant and equipment 10(a)	3,762,769	2,734,721
流動資產	Current assets		
應收款、預付款及按金	Receivables, prepayments and deposits 11	72,312,128	66,784,834
銀行存款及現金	Deposits and cash at bank 13	156,141,335	111,970,976
		228,453,463	178,755,810
資產總額	Total assets	232,216,232	181,490,531
負債	LIABILITIES		
流動負債	Current liabilities		
應付藝術及體育發展基金款項	Amount due to Arts and Sport Development Fund 14	43,944	5,186,659
應付民政事務局款項	Amount due to Home Affairs Bureau 15	1,152,222	1,153,963
應付款及應計費用	Payables and accruals 17	111,111,634	79,247,257
遞延收入	Deferred income 18	61,626,736	53,958,692
		173,934,536	139,546,571
非流動負債	Non-current liabilities		
遞延收入	Deferred income 18	37,769,360	22,434,776
長期服務金撥備	Provision for long service payment	584,174	578,645
		38,353,534	23,013,421
負債總額	Total liabilities	\$212,288,070	162,559,992
資金	FUNDS		
儲備	Reserve	14,122,563	13,592,726
黃竹坑藝術空間儲備	Wong Chuk Hang Artspace Reserve	615,928	126,155
香港藝術發展局基金	Hong Kong Arts Development Council Fund	3,888,858	3,843,374
香港藝術發展基金	Hong Kong Arts Development Fund	(70,000)	-
		18,557,349	17,562,255
何鴻卿爵士藝術教育資助基金	Sir Joseph Hotung Arts Education Endowment Fund	1,370,813	1,368,284
		19,928,162	18,930,539
資金及負債總額	Total funds and liabilities	232,216,232	181,490,531

本財務報表於二零一九年九月二十四日由藝發局大會核准並許可簽發，並由以下委員代表簽署：
王英偉博士，藝發局主席
周蕙心女士，藝發局行政總裁

The financial statements were approved and authorised for issue by the Council on 24 September 2019 and are signed on its behalf by:
Dr. Wilfred WONG Ying-wai, Council Chairman
Ms. Winsome CHOW, Council Chief Executive

第 119 頁至第 136 頁的附註屬本財務報表的組成部分。

The notes on pages 119 to 136 form part of these financial statements.

綜合資金變動表
於二零一九年
三月三十一日止年度

(以港幣列示)

CONSOLIDATED STATEMENT OF
CHANGES IN FUNDS FOR THE YEAR ENDED
31 MARCH 2019

(Expressed in Hong Kong dollars)

	儲備 Reserve	黃竹坑藝術 空間儲備 Wong Chuk Hang Artspace Reserve	香港藝術 發展局基金 Hong Kong Arts Development Council Fund	香港藝術 發展基金 Hong Kong Arts Development Fund	何鴻卿爵士 藝術教育 資助基金 Sir Joseph Hotung Arts Education Endowment Fund	總額 Total
於 2017 年 4 月 1 日 At 1 April 2017	\$ 13,620,304	\$ 106,445	\$ 3,817,447	\$ -	\$ 1,367,601	\$ 18,911,797
年度盈餘及全面收益總額 Surplus and total comprehensive income for the year	(968)	19,710	-	-	-	18,742
撥款予香港藝術發展局基金 Appropriation to Hong Kong Arts Development Council Fund	(25,927)	-	25,927	-	-	-
撥款予何鴻卿爵士藝術教育資助基金 Appropriation to Sir Joseph Hotung Arts Education Endowment Fund	(683)	-	-	-	683	-
於 2018 年 3 月 31 日及 2018 年 4 月 1 日 At 31 March 2018 and 1 April 2018	13,592,726	126,155	3,843,374	-	1,368,284	18,930,539
年度盈餘 / (虧絀) 及全面收益總額 Surplus/(deficit) and total comprehensive income for the year	577,850	489,773	-	(70,000)	-	997,623
撥款於香港藝術發展局基金 Appropriation to Hong Kong Arts Development Council Fund	(45,484)	-	45,484	-	-	-
撥款予何鴻卿爵士藝術教育資助基金 Appropriation to Sir Joseph Hotung Arts Education Endowment Fund	(2,529)	-	-	-	2,529	-
於 2019 年 3 月 31 日 At 31 March 2019	14,122,563	615,928	3,888,858	(70,000)	1,370,813	19,928,162

綜合現金流量表
於二零一九年
三月三十一日

(以港幣列示)

CONSOLIDATED CASH
FLOW STATEMENT FOR THE YEAR ENDED
31 MARCH 2019

(Expressed in Hong Kong dollars)

	附註 Note	2019	2018
		\$	\$
營運活動	Operating activities		
年度盈餘	Surplus for the year	997,623	18,742
調整項目：	Adjustments for:		
• 折舊	• Depreciation	2,988,552	4,109,773
• 利息收入	• Interest income	(2,676,128)	(1,149,813)
• 長期服務金撥備撥回	• Reversal of provision for long service payment	5,529	(43,197)
營運資金變動前的營運盈餘	Operating surplus before changes in working capital	1,315,576	2,935,505
應收款、預付款及按金減少	Decrease in receivables, prepayments and deposits	(5,321,666)	(31,690,923)
應付藝術及體育發展基金款項(減少)/增加	(Decrease)/increase in amount due to Arts and Sport Development Fund	(5,142,715)	3,872,410
應付民政事務局款項減少	Decrease in amount due to Home Affairs Bureau	(1,741)	(304,533)
應付款及應計費用增加/(減少)	Increase/(decrease) in payables and accruals	31,864,377	(8,962,384)
遞延收入增加	Increase in deferred income	23,002,628	21,945,900
營運活動產生/(所用)的現金淨額	Net cash generated from/(used in) operating activities	45,716,459	(12,204,025)
投資活動	Investing activities		
購入物業、廠房及設備	Purchase of property, plant and equipment	(4,016,600)	(686,698)
原到期日多於三個月的定期存款增加	Increase of time deposits with original maturity over three months	(30,984,471)	(24,154,601)
已收利息	Interest received	2,470,500	1,095,036
投資活動所用的現金淨額	Net cash used in investing activities	(32,530,571)	(23,746,263)
現金及現金等價物增加/(減少)淨額	Net increase/(decrease) in cash and cash equivalents	13,185,888	(35,950,288)
於4月1日的現金及現金等價物	Cash and cash equivalents at 1 April	35,957,079	71,907,367
於3月31日的現金及現金等價物	Cash and cash equivalents at 31 March	49,142,967	35,957,079

第119頁至第136頁的附註屬本財務報表的組成部分。 The notes on pages 119 to 136 form part of these financial statements.

財務報表附註

以港幣列示

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 藝發局及信託基金的背景

香港藝術發展局（「藝發局」）於一九九四年四月十五日成立為一家非法定機構，負責向香港特別行政區政府（「香港政府」）提供有關香港藝術推廣及發展的意見。藝發局接受香港政府撥款，並分配款項予申請資助藝術計劃的人士。

於一九九五年一月一日，藝發局根據《香港藝術發展局條例》正式成為法定機構。藝發局成立的目的，主要是推廣及支持本地藝術的發展，造福社會。

香港藝術發展公益基金及香港藝術發展基金（「信託基金」）是分別根據於二零零八年七月三十一日及二零一八年十二月七日簽訂的信託契約而成立。根據《稅務條例》第 88 條，信託基金屬於慈善信託基金，可獲豁免繳稅。

信託基金成立的目的是籌募資金，用以推廣及支持香港藝術發展，並由藝發局作為基金受託人。藝發局根據信託契約及相關規則管控制信託基金，及指導信託基金的業務。藝發局有能力委任信託基金的大部分成員，並可行使權力以影響其投資回報。因此，信託基金的財務業績及資產負債均已合併計入本集團的綜合財務報表。

香港藝術發展公益基金於本年度尚未開展籌募捐款工作。香港藝術發展基金於本年度已開展籌募捐款工作。

本集團包括藝發局及信託基金。本集團的主要營運地點設於香港鰂魚涌英皇道 1063 號 10 樓。

除非另有說明，否則本集團和藝發局的財務報表均以港幣列報。

2 主要會計政策

(a) 合規聲明

本財務報表是按照香港會計師公會頒布的所有適用的《香港財務報告準則》（此統稱包含所有適用的個別《香港財務報告準則》、《香港會計準則》和詮釋）和香港公認會計準則而編製。以下是本集團採用的主要會計政策。

香港會計師公會頒布了若干新訂和經修訂的《香港財務報告準則》。這些修訂在本集團及藝發局當前的會計期間首次生效或可供提前採納。附註 2(c) 提供了因初始應用相關變動導致會計政策有變的信息，並在這些財務報表中所反映於本會計期間及以往會計期間與本集團相關者為限。

(b) 財務報表的編製基準

本財務報表是以歷史成本作為計量基準而編製的。

管理層需在編製符合《香港財務報告準則》的財務報表時作出對會計政策的應用，以及資產、負債、收入和支出的報告數額構成影響的判斷、估計和假設。這些估計和相關假設是根據以往經驗和管理層因應當時情況認為合理的多項其他因素作出的，其結果構成了管理層在無法依循其他途徑即時得知資產與負債的賬面值時所作出判斷的基礎。實際結果可能有別於估計數額。

1 Background of the Council and the Trust Funds

Hong Kong Arts Development Council (“the Council”) was formed on 15 April 1994 as a non-statutory body to advise the Government of the Hong Kong Special Administrative Region (“Hong Kong SAR Government”) on the promotion and development of the arts in Hong Kong. The Council receives subvention from the Hong Kong SAR Government and allocates the funds to applicants for art grants.

Effective from 1 January 1995, the Council became a statutory body under the Hong Kong Arts Development Council Ordinance. The principal activities of the Council are to promote and support the development of the arts in Hong Kong for the benefit of the community.

The Hong Kong Arts Community Fund (“HKACF”) and Hong Kong Arts Development Fund (“HKADF”) (“the Trust Funds”) were formed under trust deeds dated 31 July 2008 and 7 December 2018 respectively. The Trust Funds, being charitable trusts, are exempt from tax under Section 88 of the Inland Revenue Ordinance.

The Trust Funds were set up for fund raising to promote and support the development of the arts in Hong Kong and are held in trust by the Council as trustee. The Council controls the Trust Funds pursuant to the trust deeds and rules related to the Trust Funds to direct the relevant activities of the Trust Funds. The Council has the ability to appoint the majority of the members of the Trust Funds and use its power over the Trust Funds to affect its exposure for returns. Accordingly, the financial results, assets and liabilities of the Trust Funds are consolidated to the consolidated financial statements of the Group.

The HKACF has not yet commenced the donations raising activities for the year. The HKADF has commenced the donations raising activities for the year.

The Group collectively refers to the Council and the Trust Funds. The Group’s principal place of operation is located at 10/F., 1063 King’s Road, Quarry Bay, Hong Kong.

The Group and Council’s financial statements are presented in Hong Kong dollars unless otherwise stated.

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong. Significant accounting policies adopted by the Group is disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Council. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

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

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

管理層會不斷審閱各項估計和相關假設。如果會計估計的修訂只是影響某一期間，其影響便會在該期間內確認；如果修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間確認。

(c) 會計政策的變動

香港會計師公會已頒布多項於本集團當前會計期間首次生效的新訂及經修訂《香港財務報告準則》。當中，以下變動與本集團的財務報表有關：

- (i) 《香港財務報告準則》第 9 號「金融工具」
- (ii) 《香港財務報告準則》第 15 號「客戶合約收入」

本集團尚未應用在當前會計期間尚未生效的任何新準則或詮釋（見附註 23）。

(i) 《香港財務報告準則》第 9 號「金融工具」

《香港財務報告準則》第 9 號取代《香港會計準則》第 39 號「金融工具：確認及計量」。它規定了確認和計量金融資產、金融負債和一些買賣非金融項目合約的要求。

採用《香港財務報告準則》第 9 號產生的會計政策變動已追溯應用，惟有關比較期間的信息未重列。因此 2018 年呈報的信息繼續根據《香港會計準則》第 39 號報告，因而可能無法與本期比較。

A. 金融資產及金融負債的分類

《香港財務報告準則》第 9 號將金融資產分為三個主要類別：按攤銷成本計量、按公允價值計入其他全面收益（「FVOCI」）和按公允價值計入損益（「FVPL」）。這些取代了《香港會計準則》第 39 號有關持有至到期投資、貸款和應收款、可供出售金融資產和按公允價值計入損益的金融資產類別。《香港財務報告準則》第 9 號對金融資產的分類是以管理該金融資產的業務模式及其合約現金流量特徵為基礎。

所有金融負債的計量類別保持不變。於 2018 年 4 月 1 日，所有金融負債的賬面值不受初始應用《香港財務報告準則》第 9 號影響。

於 2018 年 4 月 1 日，本集團未指定或取消指定按公允價值計入損益的金融資產或金融負債。

B. 信用損失

《香港財務報告準則》第 9 號以「預期信用損失」（「ECL」）模型取代《香港會計準則》第 39 號的「已產生損失」模型。預期信用損失模型要求持續計量與金融資產有關的信貸風險，因此比《香港會計準則》第 39 號「已產生損失」會計模型更早確認預期信用損失。本集團對按攤銷成本計量的金融資產（包括應收款項、預付款項和存款，以及銀行存款和現金）採用新的預期信用損失模型。有關本集團對信用損失的會計處理政策詳情，請參閱附註 2(h) 的相關會計政策。

(ii) 《香港財務報告準則》第 15 號「客戶合約收入」

《香港財務報告準則》第 15 號建立了一個綜合框架，以確認來自客戶合約的收入和部分成本。《香港財務報告準則》第 15 號取代《香港會計準則》第 18 號「收入」（當中涵蓋銷售商品及提供服務所產生的收入）及《香港會計準則》第 11 號「建築合約」（當中訂明了建築合約的會計處理）。

本集團選擇使用累計影響過渡。因此，比較資料並未重列，並繼續根據《香港會計準則》第 18 號呈報。根據《香港財務報告準則》第 15 號所允許，

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- (i) HKFRS 9, *Financial instruments*
- (ii) HKFRS 15, *Revenue from contracts with customers*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 23).

(i) HKFRS 9, *Financial instruments*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except information relating to comparative periods has not been restated. Accordingly, the information presented for 2018 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

A. Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 April 2018 have not been impacted by the initial application of HKFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 April 2018.

B. Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the "expected credit loss" ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39. The Group applies the new ECL model to financial assets measured at amortised cost (including receivables, prepayments and deposits, and deposits and cash at bank). For further details on the Group's accounting policy for accounting for credit losses, see respective accounting policy notes 2(h).

(ii) HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the *accounting for construction contracts*.

The Group has elected to use the cumulative effect transition. Therefore, comparative information has not been restated and continues to be reported under HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 April 2018.

The nature and effect of the changes on previous accounting policies are mainly relevant to the timing of revenue recognition.

本集團僅對 2018 年 4 月 1 日前未完成的合約應用新規定。

以往會計政策的變動性質和影響主要與收入確認的時間有關。

以前，因提供服務產生的收入是隨着時間的推移而確認的，而商品銷售的收入通常是在商品所有權的風險和報酬轉移給客戶的時間點上確認的。

根據《香港財務報告準則》第 15 號，當客戶取得對合約中承諾的商品或服務的控制權時，便會確認收入。這可能是在單一時間點或隨着時間推移。

《香港財務報告準則》第 15 號指明了在某些情況下對承諾的商品或服務的控制被視為隨時間轉移的情況。如果合同條款和實體業務未屬於這三種情況中的任何一種，則根據《香港財務報告準則》第 15 號，實體在控制權已經通過的單個時間點確認該商品或服務的銷售收入。所有權的風險和報酬的轉移只是確定控制權何時發生的考慮指標之一。

採納《香港財務報告準則》第 15 號對本集團確認收入的時間並無重大影響。

(d) 附屬機構

附屬機構及信託基金是指受本集團控制的實體。當本集團因參與實體業務而承擔可變動回報的風險或因此享有可變動回報，且有能力透過向實體施加權力而影響該等回報時，則本集團控制該實體。在評估本集團是否擁有上述權力時，僅考慮（本集團和其他方所持有的）實質權利。

於信託基金的投資由控制開始當日至控制終止當日在綜合財務報表中合併計算。集團內部往來的結餘、交易和現金流量，以及集團內部交易所產生的任何未實現溢利，會在編製綜合財務報表時全數抵銷。在沒有減值跡象的情況下集團內部交易所引致未實現虧損的抵銷方法與未實現收益相同。

藝發局財務狀況表所示向信託基金作出供款，是按成本減去減值虧損後列賬。（參閱附註 2(h)）。

(e) 政府資助

倘有合理保證政府將發放資助款項，政府資助撥款會按其公允價值初步於財務狀況表確認。

有特定用途的政府資助會於初期先確認為遞延收入。如有合理證明本集團會遵守政府資助條件及政府將發放資助款項，則該資助收入會按與政府欲資助的計劃成本相配的會計期間有系統地於收支表中確認。

取得用於購置物業、廠房及設備的政府資助撥款後，以遞延收入於財務狀況表中確認，並根據記載於附註 2(g) 的折舊政策，以該相關資產的估計可使用年期，按期攤分於收支表。

(f) 收入確認

當對產品或服務的控制權轉移給客戶，或承租人有權使用資產時，收入應按本集團預期有權獲得的承諾對價確認，但不包括代表第三方收取的款項。收入不包括增值稅或其他銷售稅，且已扣除任何貿易折扣。本集團的收入確認政策的詳情如下：

(i) 贊助收入於確定可獲該款項時確認。贊助收入一般訂有特定用途，並先以遞延收入列賬。如有合理證明本集團會遵守該贊助的附帶條件，該贊助收入款項會按與政府欲資助的計劃成本相配的會計期間有系統地於收支表中確認。

Previously, revenue arising from provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised goods or service in the contract. This may be at a single point in time or over time.

HKFRS 15 identifies certain situations in which control of the promised goods or service is regarded as being transferred over time. If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that goods or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue.

(d) Subsidiaries

Subsidiaries and the Trust Funds are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

A Trust Fund is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Council's statement of financial position, its contribution to the Trust Funds are stated at cost less impairment losses (see note 2(h)).

(e) Government grants

Government grants are recognised in the statement of financial position initially at their fair value when there is a reasonable assurance that the grant will be received.

Government grants, which are earmarked for specific purposes, are initially recognised as deferred income. When there is reasonable assurance that the Group will comply with the conditions attaching to the grants and the grants will be received, they are recognised in the statement of income and expenditure on a systematic basis over the period necessary to match with the related costs which they are intended to compensate.

Government grants received for purchases of property, plant and equipment are included in the statement of financial position as deferred income and are credited to the statement of income and expenditure by instalments over the expected useful life of the related assets on a basis consistent with the depreciation policy (note 2(g)).

(f) Income recognition

Income is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts. Further details of the Group's income recognition policies are as follows:

(i) Sponsorship income is recognised when the right to receive payment is established. Sponsorship income, which is earmarked for a specific purpose, is initially recognised as deferred income. When there is reasonable assurance that the Group will comply with the conditions attaching to the sponsorship, it is recognised in the statement of income and expenditure on a systematic basis over the period necessary to match with related costs which it is intended to compensate.

(ii) 經營租賃的應收租金收入在租賃期所涵蓋的期間內以等額在收支表中確認；但如有其他基準能更清楚地反映使用租賃資產所得的利益模式則除外。經營租賃協議所涉及的激勵措施均在損益中確認為應收租賃淨付款總額的組成部分。或有租金在賺取的會計期間內確認為收入。

(iii) 利息收入是在生時按實際利率法確認，該利率使用將金融資產的預期年限中的預計未來現金收入，準確折現為該金融資產的賬面總值的比率。

(iv) 其他收入以應計制入賬。

(g) 物業、廠房及設備

物業、廠房及設備是以成本減去累計折舊和減值虧損後入賬（參閱附註2(h)）。

折舊是在扣減物業、廠房及設備項目的預計殘值（如有）後，按直線法在以下預計可用期限內沖銷其成本計算：

• 租賃物業裝修	2 至 3 年
• 傢具及設備	5 年
• 電腦設備	3 年

本集團會每年審閱資產的可用期限和殘值（如有）。

報廢或處置物業、廠房及設備項目所產生的損益是以處置所得款項淨額與資產賬面金額之間的差額釐定，並於報廢或處置日在收支表中確認。

(h) 金融資產的減值

(i) 應收款的減值

A. 自二零一八年四月一日起適用的政策

損失準備金按相等於整個存續期預期信用損失（「ECL」）的金額計量，即預期在應收款項的預期存續期內產生的損失。損失準備金是根據本集團的歷史信用損失經驗，使用準備金矩陣進行估算的，並根據債務人特有的因素進行調整，並評估報告日當前和預期的總體經濟狀況。

預期信用損失在每個報告日期重新計量，任何變動均確認為損益的減值損益。本集團通過損失準備金賬戶確認減值損益，並相應調整應收款的賬面金額。

應收款的總賬面金額（部分或全部）會被沖銷，並以無法收回的實際可能性為限。當本集團確定債務人沒有能夠產生足夠現金流量來償還被沖銷款項的資產或收入來源時，通常就是這種情況。

B. 於二零一八年四月一日前適用的政策

如出現客觀的減值跡象，便會確認減值損失。減值損失是以金融資產的賬面金額與按照金融資產的原定實際利率折現（如果折現會造成重大影響）的預計未來現金流量之間的差額計量。減值的客觀跡象包括本集團注意到如借款人出現重大的財務困難且影響有關資產的預計未來現金流量等事件的可觀察數據。

當貿易和其他應收款的回收被認為是可疑但並非不可能時，會使用備抵賬記錄相關的減值損失。當本集團確信收回的可能性很低時，被視為無法收回的金額會直接從這些資產的賬面總額中沖銷。先前追回從備抵賬中扣除的後續款項追回已從備抵賬中轉回。備抵賬中的其他變動及先前直接沖銷的後續收回款額均於損益確認。

(ii) Rental income receivable under operating leases is recognised in statement of income and expenditure in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Interest income is recognised as it accrues using the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(iv) Other income is recognised on an accrual basis.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(h)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using straight-line method over their estimated useful lives as follows:

• Leasehold improvements	2 - 3 years
• Furniture and equipment	5 years
• Computer equipment	3 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in statement of income and expenditure on the date of retirement or disposal.

(h) Impairment of financial assets

(i) Impairment of receivable

A. Policy applicable from 1 April 2018

The loss allowance is measured at an amount equal to lifetime expected credit losses (“ECLs”), which are those losses that are expected to occur over the expected life of the receivables. The loss allowance is estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of receivables through a loss allowance account.

The gross carrying amount of receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

B. Policy applicable prior to 1 April 2018

Impairment losses were recognised when there was objective evidence of impairment and were measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset’s original effective interest rate where the effect of discounting was material. Objective evidence of impairment included observable data that came to the attention of the Group about events that had an impact on the asset’s estimated future cash flows such as significant financial difficulty of the debtor.

When the recovery of trade and other receivable was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

(ii) 其他資產減值

本集團在每個報告期末審閱內部和外來的信息，以確定物業、廠房及設備及於信託基金的投資是否出現減值跡象或先前確認的減值虧損不再存在或可能減少。如果出現任何這類跡象，便會估計資產的可收回數額。

- 計算可收回數額

資產的可收回數額是其公允價值減去銷售成本後與使用價值兩者中的較高額。在評估使用價值時，預計未來現金流量會按照能反映當時市場對貨幣時間值和資產特定風險的評估的稅前折現率，折現至其現值。如果資產所產生的現金流入基本上並非獨立於其他資產所產生的現金流入，則以能產生獨立現金流入的最小資產類別（即現金產出單元）來釐定可收回數額。

- 確認減值虧損

當資產或其所屬現金產生單元的賬面金額高於其可收回數額時，便會在收支表確認減值虧損。

- 轉回減值虧損

如果用以釐定可收回數額的估計數額出現正面的變化，有關的減值虧損便會轉回。所轉回的減值虧損以在以往年度沒有確認任何減值虧損而應已釐定的資產賬面金額為限。所轉回的減值虧損在確認轉回的年度內計入收支表中。

(i) 應收款

當本集團無條件有權收取對價時，便會確認應收款項。如果只需要經過一段時間才能支付對價，則收取對價的權利是無條件的。如果在本集團無條件收取對價前已確認收入，則該金額作為合約資產列示。

應收款以實際利率法按攤銷成本減去信用損失準備後所得數額列賬（見附註 2(h)(i)）。

(j) 現金及現金等價物

現金及現金等價物包括銀行存款、現金、存放於銀行和其他財務機構的活期存款，以及短期和高流動性的投資。這些投資可以隨時換算為已知的現金額、價值變動方面的風險不重大，並在購入後三個月內到期。

(k) 應付款及合約負債

應付款按公允價值初始確認，其後按攤銷成本列賬；但如折現影響並不重大，則按成本列賬。

(l) 經營租賃

如果本集團是以經營租賃獲得資產的使用權，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，均等地分攤在收支表中；但如另有一種方法更能代表租賃資產所產生的收益模式則除外。租賃所涉及的激勵措施均在收支表中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在收支表中列支。

(m) 外幣換算

年度內的外幣交易按交易日的匯率換算。以外幣為單位的貨幣資產及負債則按報告期末的匯率換算。匯兌盈虧撥入收支表處理。

(n) 準備和或有負債

如果本集團或藝發局須就已發生的事件承擔法律或推定義務，因而預期會導致含有經濟效益的資源外

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment and investment in the Trust Funds may be impaired or, an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in statement of income and expenditure if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount.

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the statement of income and expenditure in the year in which the reversals are recognised.

(i) Receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(h)(i)).

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, having been within three months of maturity at acquisition.

(k) Payables and contract liabilities

Payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Operating leases

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the statement of income and expenditure in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the statement of income and expenditure as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the statement of income and expenditure in the accounting period in which they are incurred.

(m) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the statement of income and expenditure.

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Council has a legal or constructive obligation arising as a result of a past event, it is probable

流，在可以作出可靠的估計時，本集團或藝發局便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計所需支出的現值計提準備。

如果含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債，但資源外流的可能性極低則除外。如果本集團的義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或有負債，但資源外流的可能性極低則除外。

(o) 僱員福利

薪金、約滿酬金、有薪年假、界定供款退休計劃的供款和非貨幣福利成本在本集團僱員提供相關服務的年度內累計。如果延遲付款或結算會造成重大的影響，則這些數額會以現值列賬。

(p) 關聯方

(a) 如屬以下人士，即該人士或該人士的近親是本集團的關聯方：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響力；或
- (iii) 是本集團或本集團母公司的關鍵管理人員。

(b) 如符合下列任何條件，即企業實體是本集團的關聯方：

- (i) 該實體與本集團隸屬同一集團（即各母公司、附屬公司和同系附屬公司彼此間有關聯）。
- (ii) 一家實體是另一實體的聯營公司或合營企業（或另一實體所屬集團旗下成員公司的聯營公司或合營企業）。
- (iii) 兩家實體是同一第三方的合營企業。
- (iv) 一家實體是第三方實體的合營企業，而另一實體是第三方實體的聯營公司。
- (v) 該實體是為本集團或作為本集團關聯方的任何實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受到上述第 (a) 項內所認定人士控制或共同控制。
- (vii) 上述第 (a)(i) 項內所認定人士對該實體有重大影響力或是該實體（或該實體母公司）的關鍵管理人員。
- (viii) 該實體或其作為一部分的任何集團成員公司向本集團或本集團的母公司提供關鍵管理人員服務。

一名個人的近親是指與有關實體交易並可能影響該個人或受該個人影響的家庭成員。

3 收入

收入主要是指香港政府的撥款及贊助收入。

that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) Employee benefits

Salaries, gratuities, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(p) Related parties

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group 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 Group or an entity related to the Group.
- (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 Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Income

Income mainly represents subvention funds granted by the Hong Kong SAR Government and sponsorship income.

4 資助開支**本集團**

按不同類別的資助開支款項分析：

- 一年 / 兩年 / 三年資助
- 計劃資助
- 新進計劃資助
- 文化交流計劃
- 配對資助計劃資助

4 Grant expenditure**The Group**

Analysis of grant expenditure by different categories:

- One-year/Two-year/Three-year grants
- Project grants
- Grants for New Budding Artists
- Cultural exchange projects
- Grants for Matching Fund Scheme

2019**2018**

\$

\$

52,406,624 49,052,818

22,016,545 15,437,359

906,787 948,686

11,299,538 6,741,170

13,088,187 12,564,424

99,717,681 84,744,457

5 藝術發展項目

藝術發展項目是指由藝發局本身發起的計劃的各項支出。

5 Arts development projects

Arts development projects represent expenditure for those projects initiated by the Council.

6 行政費用

本集團行政費用包括：

- 核數師酬金
- 折舊
- 員工福利開支 (附註 7)
- 匯兌虧損 / (收益) 淨額
- 辦公室經營租賃費用

6 Administrative expenses

Administrative expenses of the Group comprise of:

- Auditor's remuneration
- Depreciation
- Employee benefit expenses (note 7)
- Net foreign exchange loss/(gain)
- Operating lease charges in respect of office premises

2019**2018**

\$

\$

230,000 135,000

2,988,552 4,109,773

30,191,627 25,061,180

14,828 (26,828)

6,291,512 4,868,807

7 員工福利開支**本集團**

- 薪金、工資及其他福利
- 退休金成本 強制性公積金計劃

7 Employee benefit expenses**The Group**

- Salaries, wages and other benefits
- Pension costs - Mandatory Provident Fund Scheme

2019**2018**

\$

\$

29,279,305 24,270,149

912,322 791,031

30,191,627 25,061,180

8 稅項

根據香港《稅務條例》第 88 條，藝發局及信託基金皆獲豁免香港利得稅。

8 Taxation

Under Section 88 of the Hong Kong Inland Revenue Ordinance, both the Council and the Trust Funds are exempt from Hong Kong Profits Tax.

9 關鍵管理人員酬金**本集團****(a) 關鍵管理人員酬金**

本集團關鍵管理人員包括藝發局委員、行政總裁、總監及高級經理。他們為本集團服務所獲得的報酬如下。

9 Emoluments of key management**The Group****(a) Key management's emoluments**

Members of the Council, the Chief Executive, Directors and Senior Managers, who are considered as key management of the Group, receive the following fees and other emoluments in respect of their services to the Group.

2019**2018**

\$

\$

委員**Members**

- 薪金及其他短期福利
- 離職福利
- 退休計劃供款

- Salaries and other short-term benefits
- Termination benefits
- Retirement scheme contribution

-

-

-

-

-

-

-

-

行政總裁、總監及高級經理**Chief Executive, Directors and Senior Managers**

- 薪金及其他短期福利
- 離職福利
- 退休計劃供款

- Salaries and other short-term benefits
- Termination benefits
- Retirement scheme contribution

9,309,575 8,017,949

505,541 -

144,000 124,500

9,959,116 8,142,449

(b) 最高薪僱員

九名(二零一八年:八名)最高薪僱員中,一名(二零一八年:一名)為行政總裁、三名(二零一八年:三名)為總監及五名(二零一八年:四名)為高級經理。該九名僱員的酬金總額如下:

		2019	2018
		\$	\$
薪金及其他短期福利	Salaries and other short-term benefits	9,309,575	8,017,949
離職福利	Termination benefits	505,541	-
退休計劃供款	Retirement scheme contribution	144,000	124,500
		9,959,116	8,142,449

九名(二零一八年:八名)最高薪僱員的酬金介乎以下範圍內:

		2019 人數 Number of individuals	2018 人數 Number of individuals
1元至700,000元	\$1 - \$700,000	-	-
700,001元至1,400,000元	\$700,001 - \$1,400,000	8	7
1,400,001元至2,100,000元	\$1,400,001 - \$2,100,000	1	1

(b) Individuals with highest emoluments

Of the nine (2018: eight) individuals with the highest emoluments, one (2018: one) is the Chief Executive, three (2018: three) are the Directors and five (2018: four) are the Senior Managers. The emoluments in respect of the nine individuals are as follows:

The emoluments of the nine (2018: eight) individuals with the highest emoluments are within the following bands:

10 物業、廠房及設備**10 Property, plant and equipment**

(a) 本集團	(a) The Group	租賃 物業裝修 Leasehold improvements	傢具及設備 Furniture and equipment	電腦設備 Computer equipment	總額 Total
		\$	\$	\$	\$
成本:	Cost:				
於2017年4月1日 增置	At 1 April 2017 Additions	9,372,762 535,000	1,976,461 7,872	6,637,584 143,826	17,986,807 686,698
於2018年3月31日及2018年4月1日 增置	At 31 March 2018 and 1 April 2018 Additions	9,907,762 1,151,284	1,984,333 318,698	6,781,410 2,546,618	18,673,505 4,016,600
於2019年3月31日	At 31 March 2019	11,059,046	2,303,031	9,328,028	22,690,105
累計折舊:	Accumulated depreciation:				
於2017年4月1日 本年度折舊	At 1 April 2017 Charge for the year	6,378,745 2,319,464	1,027,934 254,568	4,422,332 1,535,741	11,829,011 4,109,773
於2018年3月31日及2018年4月1日 本年度折舊	At 31 March 2018 and 1 April 2018 Charge for the year	8,698,209 1,739,157	1,282,502 260,597	5,958,073 988,798	15,938,784 2,988,552
於2019年3月31日	At 31 March 2019	10,437,366	1,543,099	6,946,871	18,927,336
賬面淨值:	Net book value:				
於2019年3月31日	At 31 March 2019	621,680	759,932	2,381,157	3,762,769
於2018年3月31日	At 31 March 2018	1,209,553	701,831	823,337	2,734,721

(b) 藝發局	(b) The Council	租賃物業裝修	傢具及設備	電腦設備	總額
		Leasehold improvements	Furniture and equipment	Computer equipment	
		\$	\$	\$	\$
成本：	Cost:				
於 2017 年 4 月 1 日	At 1 April 2017	9,372,762	1,976,461	6,626,024	17,975,247
增置	Additions	535,000	7,872	143,826	686,698
於 2018 年 3 月 31 日及 2018 年 4 月 1 日	At 31 March 2018 and 1 April 2018	9,907,762	1,984,333	6,769,850	18,661,945
增置	Additions	1,151,284	318,698	2,546,618	4,016,600
於 2019 年 3 月 31 日	At 31 March 2019	11,059,046	2,303,031	9,316,468	22,678,545
累計折舊：	Accumulated depreciation:				
於 2017 年 4 月 1 日	At 1 April 2017	6,378,745	1,027,934	4,410,772	11,817,451
本年度折舊	Charge for the year	2,319,464	254,568	1,535,741	4,109,773
於 2018 年 3 月 31 日及 2018 年 4 月 1 日	At 31 March 2018 and 1 April 2018	8,698,209	1,282,502	5,946,513	15,927,224
本年度折舊	Charge for the year	1,739,157	260,597	988,798	2,988,552
於 2019 年 3 月 31 日	At 31 March 2019	10,437,366	1,543,099	6,935,311	18,915,776
賬面淨值：	Net book value:				
於 2019 年 3 月 31 日	At 31 March 2019	621,680	759,932	2,381,157	3,762,769
於 2018 年 3 月 31 日	At 31 March 2018	1,209,553	701,831	823,337	2,734,721

11 應收款、預付款及按金**11 Receivables, prepayments and deposits**

本集團及藝發局	The Group and the Council	本集團	本集團	藝發局	藝發局
		The Group	The Group	The Council	The Council
		2019	2018	2019	2018
		\$	\$	\$	\$
即期	Current				
應收賬款	Accounts receivable	67,813,446	63,891,277	58,248,867	63,891,277
其他應收款	Other receivables	537,700	323,666	535,451	323,262
預付款	Prepayments	1,000,500	72,750	1,000,500	72,750
公用事業及租賃按金	Utility and rental deposits	2,960,482	2,497,141	2,960,482	2,497,141
		72,312,128	66,784,834	62,745,300	66,784,430
應收賬款的分析如下：	The analysis of accounts receivable is as follows:				
本年度已批核撥款收入的應收款	Receivables for current year's approved subvention income	29,130,428	24,996,625	29,130,428	24,996,625
過往年度已批核撥款收入的應收款	Receivables for previous years' approved subvention income	12,851,503	18,262,336	12,851,503	18,262,336
藝術發展配對資助計劃的應收款	Receivables for Art Development Matching Grants Scheme	9,564,579	5,737,509	-	5,737,509
應收贊助	Sponsorship receivable	16,266,936	14,894,807	16,266,936	14,894,807
		67,813,446	63,891,277	58,248,867	63,891,277

上述應收賬款為來自藝術及體育發展基金及民政事務局的撥款收入、香港特區政府的政府配對基金及贊助機構提供的贊助，而該基金及有關機構於支付撥款方面記錄良好。

本集團及藝發局預期在超過一年以後才收回的按金為 2,960,482 元 (二零一八年：2,496,661 元) 及 2,960,482 元 (二零一八年：2,496,661 元)。預計所有餘下的應收賬款及其他應收款在一年內收回或確認為支出。

於二零一九年及二零一八年三月三十一日，所有應收款均沒有逾期。

The above accounts receivable relate to subvention income from the Arts and Sport Development Fund and Home Affairs Bureau, government matched fund from the Hong Kong SAR Government, and sponsorship from a sponsor, all of which have good track records of settlement.

The amount of the Group's and the Council's deposits expected to be recovered after one year is \$2,960,482 (2018: \$2,496,661) and \$2,960,482 (2018: \$2,496,661) respectively. All of the remaining accounts and other receivables are expected to be recovered or recognised as expense within one year.

As at 31 March 2019 and 2018, all the receivables were not past due.

12 信託基金投資

藝發局

投資 (按成本計)

信託基金是指香港藝術發展公益基金及香港藝術發展基金。

於二零零九年四月一日，藝發局從何鴻卿爵士藝術教育資助基金轉撥捐款 1,356,392 元以資助信託基金的營運。

於二零一八年十二月七日，藝發局成立一項名為香港藝術發展基金的新信託基金，涉及零元的投資成本。

12 Investment in the Trust Funds

The Council

Investments, at cost

The Trust Funds represents HKACF and HKADF.

On 1 April 2009, the Council transferred the Sir Joseph Hotung Arts Education Endowment Fund of \$1,356,392 to support the operation of HKACF.

On 7 December 2018, the Council established a new trust fund, HKADF, with \$nil investment cost.

2019 **2018**

\$ \$

1,356,392 1,356,392

13 銀行存款及現金

本集團及藝發局

存款
銀行存款及現金

減：原到期日多於三個月的存款

在綜合現金流量表列示的現金及現金等價物

13 Deposits and cash at bank

The Group and the Council

Deposits
Cash at bank and on hand

Less: Deposits with original
maturity over three months

Cash and cash equivalents in
the consolidated cash flow
statement

	本集團 The Group	本集團 The Group	藝發局 The Council	藝發局 The Council
	2019	2018	2019	2018
	\$	\$	\$	\$

121,436,100	94,213,691	120,067,440	92,845,715
34,705,235	17,757,285	34,699,316	17,750,660

156,141,335	111,970,976	154,766,756	110,596,375
(106,998,368)	(76,013,897)	(105,629,708)	(74,645,921)

49,142,967	35,957,079	49,137,048	35,950,454
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本集團及藝發局存放於銀行及金融機構的款項按固定利率計息，於報告期末的實際年利率分別介乎 0.35% 至 2.85% (二零一八年：0.05% 至 1.83%) 及 1.35% 至 2.85% (二零一八年：1.00% 至 1.83%)。

Deposits with banks and financial institutions bear fixed interest rates with effective interest rates per annum of the Group and the Council at the end of reporting period ranging from 0.35% to 2.85% (2018: 0.05% to 1.83%) and 1.35% to 2.85% (2018: 1.00% to 1.83%) respectively.

14 應付藝術及體育發展基金款項**本集團及藝發局**

於年初
應退還的未用款項
本年度已償還款項

於年終

截至二零一九年和二零一八年三月三十一日的金額是指將退還給藝術和體育發展基金的已完成項目的未使用資金。以上應付的款項是沒有抵押、免息及須應要求償還。

15 應付民政事務局款項

截至二零一九年和二零一八年三月三十一日的金額是指將退還給民政事務局的已完成項目的未使用資金。

應付民政事務局的款項是沒有抵押、免息及須應要求償還。

16 應付香港藝術發展公益基金款項

應付香港藝術發展公益基金的款項是沒有抵押、免息及須應要求償還。

17 應付款及應計費用**本集團及藝發局**

應付資助款項
準備款項及應計費用
配對資助計劃的其他應付款 (附註)

14 Amount due to Arts and Sport Development Fund**The Group and the Council**

At the beginning of the year
Unused funds to be refunded
Repayment during the year

At the end of the year

The amounts as at 31 March 2019 and 2018 represent the unused funds of completed projects to be refunded to Arts and Sport Development Fund. The amount due is unsecured, interest-free and repayable on demand.

15 Amount due to Home Affairs Bureau

The amounts as at 31 March 2019 and 2018 represent the unused funds of completed projects to be refunded to Home Affairs Bureau.

The amount due to Home Affairs Bureau is unsecured, interest-free and repayable on demand.

16 Amount due to Hong Kong Arts Community Fund

The amount due to Hong Kong Arts Community Fund is unsecured, interest-free and repayable on demand.

17 Payables and accruals

	本集團 The Group	本集團 The Group	藝發局	藝發局
			The Council	The Council
本集團及藝發局 The Group and the Council	2019	2018	2019	2018
	\$	\$	\$	\$
應付資助款項	98,647,111	71,095,098	94,946,539	71,095,098
準備款項及應計費用	12,464,523	8,152,159	12,384,523	8,142,159
Other payables under the Matching Fund Scheme (Note)	-	-	-	-
	111,111,634	79,247,257	107,331,062	79,237,257

附註：

本集團及藝發局在配對資助計劃之下的其他應付款，是指根據配對資助計劃向藝發局發放給而尚未退還給獲資助藝團的捐贈及贊助。截至二零一九年三月三十一日止年度，藝發局已收取向獲資助藝團提供為數 10,706,762 元（二零一八年：8,602,424 元）的捐贈及贊助，當中 10,706,762 元（二零一八年：8,602,424 元）已於年內退還給獲資助藝團。

Note:

Other payables under the Matching Fund Scheme of the Group and the Council are donations and sponsorships to the Grantees addressed to the Council in accordance of the Matching Fund Scheme not yet returned to the Grantees. During the year ended 31 March 2019, donations and sponsorships to the Grantees of \$10,706,762 (2018: \$8,602,424) were received by the Council, of which \$10,706,762 (2018: \$8,602,424) was returned to the Grantees during the year.

18 遞延收入**本集團及藝發局**

用於未完成計劃的撥款及已收贊助 (註 (i))
 用於購置物業、廠房及設備的政府資助撥款
 (註 (ii))

18 Deferred income**The Group and the Council**

Subvention granted and sponsorship received for incomplete
 projects (note (i))
 Government subvention granted for purchases of property, plant
 and equipment (note (ii))

2019**2018**

\$

\$

98,051,520 73,968,200

1,344,576 2,425,268

99,396,096 76,393,468

代表：

Representing:

即期部分
 非即期部分

Current portion
 Non-current portion

61,626,736 53,958,692

37,769,360 22,434,776

99,396,096 76,393,468

(i) 用於未完成計劃的撥款及已收贊助

(i) Subvention granted and sponsorship received for incomplete projects

2019**2018**

\$

\$

已收及應收的撥款及贊助
 減：已產生的計劃費用

Subvention and sponsorship received and receivable
 Less: Project costs incurred

157,804,148 118,054,750

(59,752,628) (44,086,550)

遞延收入
 減：將於 1 年內確認

Deferred income
 Less: To be realised within one year

98,051,520 73,968,200

(60,971,670) (52,723,050)

非流動負債的未確認金額

Unrealised amount classified under non-current liabilities

37,079,850 21,245,150

(ii) 用於購置物業、廠房及設備的政府資助撥款

(ii) Government subvention granted for purchases of property, plant and equipment

2019**2018**

\$

\$

用於購置物業、廠房及設備的政府撥款
 減：確認總額

Government subvention granted for purchases of property,
 plant and equipment
 Less: Aggregate realisation

16,948,057 16,245,273

(15,603,481) (13,820,005)

遞延收入
 減：將於 1 年內確認

Deferred income
 Less: To be realised within one year

1,344,576 2,425,268

(655,066) (1,235,642)

非流動負債的未確認金額

Unrealised amount classified under non-current liabilities

689,510 1,189,626

19 資金

19 Funds

藝發局 The Council	儲備 (註 (i)) Reserve (Note (i))	黃竹坑藝術 空間儲備 (註 (ii)) Wong Chuk Hang Artspace Reserve (Note (ii))	香港藝術 發展局基金 (註 (iii)) Hong Kong Arts Development Council Fund (Note (iii))	何鴻卿爵士 藝術教育 資助基金 (註 (iv)) Sir Joseph Hotung Arts Education Endowment Fund (Note (iv))	總額 Total
	\$	\$	\$	\$	\$
於 2017 年 4 月 1 日 At 1 April 2017	15,499,709	106,445	1,930,721	1,356,392	18,893,267
年度盈餘及全面收益總額 Surplus and total comprehensive income for the year	(1,051)	19,710	-	-	18,659
向香港藝術發展公益基金提供資金 (註 (v)) Funding to Hong Kong Arts Community Fund (Note (v))	10,000	-	(10,000)	-	-
撥款予香港藝術發展局基金 Appropriation to Hong Kong Arts Development Council Fund	(25,927)	-	25,927	-	-
於 2018 年 3 月 31 日及 2018 年 4 月 1 日 At 31 March 2018 and 1 April 2018	15,482,731	126,155	1,946,648	1,356,392	18,911,926
年度盈餘及全面收益總額 Surplus and total comprehensive income for the year	576,027	489,773	-	-	1,065,800
向香港藝術發展公益基金提供資金 (註 (v)) Funding to Hong Kong Arts Community Fund (Note (v))	10,000	-	(10,000)	-	-
撥款予香港藝術發展局基金 Appropriation to Hong Kong Arts Development Council Fund	(45,484)	-	45,484	-	-
於 2019 年 3 月 31 日 At 31 March 2019	16,023,274	615,928	1,982,132	1,356,392	19,977,726

註：

(i) 根據民政事務局長與藝發局於二零零八年四月十五日簽訂的行政安排備忘錄，儲備的上限於任何時候皆不能超越藝發局於當前財政年度經常性撥款收入的百分之十五，超過此上限的盈餘需要歸還香港政府或於來年的政府撥款當中扣除。只要是符合香港藝術發展局條例所容許的範圍及能夠貫徹藝發局成立的目的，藝發局便可運用該儲備作任何用途。

(ii) 有關結餘是指「ADC 黃竹坑藝術空間」項目產生的盈餘。該項目以優惠租金向本地影視媒體工作者提供藝術工作室。

(iii) 有關結餘是指香港政府於一九九四年成立藝發局時經由「戴麟趾爵士康樂基金」所撥給藝發局的種子基金餘額，及藝發局截至二零零五年三月三十一日止所累積的恆常儲備基金總額。只要是符合《香港藝術發展局條例》所容許的範圍及能夠貫徹藝發局成立的目的，藝發局便可運用該儲備作任何用途。

(iv) 有關結餘是指何鴻卿爵士捐助 1,000,000 元予藝發局用以成立資助藝術教育的基金的滾存。藝發局可運用此基金的利息收入，以資助各項藝

Notes:

(i) Pursuant to the Memorandum of Administrative Arrangements (“MAA”) dated 15 April 2008 signed between the Secretary for Home Affairs and the Council, the level of this reserve shall not, at any one point in time, exceed 15% of the Council’s annual recurrent subvention in the current financial year. Any surplus in excess of the agreed reserve ceiling should be returned to the Hong Kong SAR Government or netted off in the following year’s government subvention. The Council may use the reserve for any activities lawfully permitted under the Hong Kong Arts Development Council Ordinance and in furtherance of the Council’s objects.

(ii) The balance represents the surplus generated from a program namely “ADC Artspace Scheme” to provide arts studios at concessionary rents to local visual, film and media artists.

(iii) The balance represents the unutilised amount of the seed money granted by the Hong Kong SAR Government through the Sir David Trench Fund for Recreation in 1994 for the establishment of the Council, and also the General Fund generated by the Council up to 31 March 2005. The Council may use the fund for any activities lawfully permitted under the Hong Kong Arts Development Council Ordinance and in furtherance of the Council’s objects.

(iv) The balance represents the unutilised amount of a \$1 million donation from Sir Joseph Hotung for the Council’s establishment of a fund dedicated to support arts education. Interest income from the fund is used to support various arts education programmes of the Council, and the entire principal amount will be kept for long-term investment.

術教育計劃，而基金的本金則會繼續全數用作長期投資。

(v) 香港藝術發展公益基金截至二零一九年三月三十一日止年度為數 10,000 元 (二零一八年: 10,000 元) 的營運支出已由藝發局承擔，並由香港藝術發展局基金報銷。

20 經營租賃承擔

本集團及藝發局

於二零一九年三月三十一日，根據不可解除的辦公室經營租賃在日後應付的最低租賃付款總額如下：

	2019	2018
	\$	\$
1 年內	7,149,972	3,189,501
1 年以上但 5 年內	8,983,540	1,353,512
	16,133,512	4,543,013

這項租賃一般的初始期限為二至三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。該租賃不包含或有租金。

21 金融工具的金融風險管理和公允價值

本集團須在正常業務過程中承受信貸、流動資金、利率和外幣風險。本集團對這些風險的承擔額以及為管理這些風險所採用的金融風險管理政策和慣常做法載列於下文。

(a) 信貸風險

信用風險是指交易對手違反合約義務而對本集團造成財務損失的風險。本集團的信貸風險主要來自存放銀行和金融機構的款項、銀行存款、應收款、預付款及按金。

本集團將現金存放於信貸評級良好的金融機構，以降低信貸風險。鑑於金融機構的良好信貸評級，本集團預期這些金融機構不會違約。

本集團因應收款項產生的信貸風險主要與政府相關實體和一名保薦人有關。鑑於債務人的財務實力，本集團認為信貸風險較低，預期信用損失並不重大。管理層通過對所有需要一定數量信貸的客戶進行個別信貸評估來管理這種風險。這些評估著重於客戶過去的到期付款歷史和當前的付款能力，並且可能考慮到特定於客戶的信息，以及與客戶經營所在的經濟環境有關的信息。

信貸風險上限為財務狀況表中每項金融資產的賬面金額。本集團並無作出任何可能令其承受信貸風險的擔保。

有關本集團承受因應收款、預付款及按金所產生的信貸風險的進一步定量披露內容載列於附註 11。

(v) The operating expenditure of the Hong Kong Arts Community Fund of \$10,000 for the year ended 31 March 2019 (2018: \$10,000) was borne by the Council and is reimbursed by the Hong Kong Arts Development Council Fund.

20 Operating lease commitments

The Group and the Council

At 31 March 2019, the total future minimum lease payments under non-cancellable operating leases in respect of office premises are payable as follows:

	2019	2018
	\$	\$
Within one year	7,149,972	3,189,501
After one year but within five years	8,983,540	1,353,512
	16,133,512	4,543,013

The leases typically run for an initial period of two to three years, with an option to renew the leases when all terms are renegotiated. The leases do not include contingent rentals.

21 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's activities. The Group's exposure to these risk and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to deposits with banks and financial institutions, cash at banks and receivables, prepayments and deposits.

Cash is deposited with financial institutions with sound credit ratings to minimise exposure. Given their high credit ratings, the Group does not expect any of these financial institutions will fail to meet their obligations.

The Group's exposure to credit risk arising from receivables mainly relates to government related entities and a sponsor. The Group considers the credit risk is low and the expected credit loss is immaterial given the financial strength of the debtors. Management manages this risk by performing individual credit evaluations on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and may take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from receivables, prepayments and deposits are set out in note 11.

(b) 流動資金風險

流動資金風險是指本集團在償還短期債務方面出現困難的風險。本集團按支出及收入的週期作出相應配對，以管理流動資金風險，而本集團的營運活動主要依靠香港政府與藝術及體育發展基金的撥款收入資助。此外，本集團亦維持足夠現金及流動資產用作營運經費，因此藝發局認為本集團無須承受重大的流動資金風險。

本集團於報告期末的金融負債全部不計息，並須在一年內或須應要求償還。

(c) 利率風險

由於本集團有重大的浮動利率定期存款存放於不同銀行，故此本集團須承受現金流量利率風險。

有關本集團及藝發局賺取收益的金融工具於報告期末的實際利率的資料載列於附註 13。

(d) 外幣風險

本集團及藝發局的功能貨幣是港幣。本集團所承受的外幣風險主要源自以歐元計值的現金結餘。如果出現短期的失衡情況，本集團會在必要時按現貨匯率買賣外幣，以確保將淨風險額度維持在可接受的水平。

(i) 外幣風險額度

下表詳述本集團及藝發局於報告期末以本集團的功能貨幣以外的貨幣（即港幣）計值的已確認資產所產生的外幣風險額度。在呈報時，風險額度已換算為港幣。

本集團及藝發局

現金及現金等價物

(b) Liquidity risk

Liquidity risk refers to the risk in which the Group has difficulties in meeting its short-term obligations. It is managed by matching the payment and receipt cycle and the Group's operations are financed mainly through subvention income from the Hong Kong SAR Government and the Arts and Sport Development Fund. In addition, the Group maintains sufficient cash and liquid assets to finance its operations, thus the Council considers the liquidity risk of the Group is insignificant.

All the Group's financial liabilities at the end of reporting period do not bear interest and are repayable within 1 year or on demand.

(c) Interest rate risk

The Group has variable interest-rate deposits placed with banks which expose the Group to cash flow interest rate risk.

Note 13 contains information about the effective interest rates at the end of reporting period of the Group's and the Council's income-earning financial instruments.

(d) Currency risk

The Group's and the Council's functional currency is Hong Kong dollars. The Group is exposed to currency risk primarily through cash balances that are denominated in Euros ("EUR"). The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

(i) Exposure to currency risk

The following table details the Group's and the Council's exposure at the end of the reporting period to currency risk arising from recognised assets denominated in a currency other than the Group's functional currency of Hong Kong dollars. For presentation purposes, the amounts of the exposure are expressed in Hong Kong dollars.

外幣風險額度（以港幣列示）
Exposure to foreign currencies
(expressed in Hong Kong dollars)

The Group and the Council

2019
歐元 EUR

2018
歐元 EUR

\$

\$

Cash and cash equivalents

135,046

170,749

(ii) 敏感度分析

下表列示本集團的盈餘及資金因應本集團及藝發局所承受重大風險的匯率於報告期末已轉變（假設所有其他風險變數維持不變）而即時出現的變化。

(ii) Sensitivity analysis

The following table indicates the instantaneous change on the Group's surplus and funds that would arise if foreign exchange rate to which the Group and the Council has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2019	2019	2018	2018
	外幣匯率 上升 / (下跌) Increase/ (decrease) in foreign exchange rate	對盈餘及 資金的影響 Effect on surplus and funds	外幣匯率 上升 / (下跌) Increase/ (decrease) in foreign exchange rate	外幣匯率 上升 / (下跌) Effect on surplus and funds
	\$	\$	\$	\$
歐元	5%	6,752	5%	8,537
EUR	(5)%	(6,752)	(5)%	(8,537)

以上敏感度分析是假設匯率於報告期末有所改變而釐定，並已應用於重新計量本集團於報告期末所持有的使藝發局須承擔外幣風險的金融工具。該分析是按二零一八年的同一基準進行。

The sensitivity analysis assumes that the change in foreign exchange rate had been applied to re-measure those financial instruments which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2018.

(e) 公允價值的計量

所有金融工具均以與二零一九年和二零一八年三月三十一日的公允價值分別不大的數額入賬。

(f) 管理各項資金

本集團的資金來自儲備、黃竹坑藝術空間儲備、香港藝術發展局基金及何鴻卿爵士藝術教育資助基金。該等基金因應附註 19 所述的各項指定用途而成立。本集團的目標在於維持足夠儲備及資金，確保本集團能持續營運及滿足現時及未來營運支出的需要。

(e) Fair values measurement

All financial instruments are carried at amount not materially different from their fair values as at 31 March 2019 and 2018.

(f) Management of various funds

The Group's funds consist of reserve, Wong Chuk Hang Artspace Reserve, Hong Kong Arts Development Council Fund and Sir Joseph Hotung Arts Education Endowment Fund, which were set up for various designated purposes as described in note 19. It is the Group's objective to maintain sufficient reserves and funds to safeguard the Group's ability to continue as a going concern and to support its current and future operating expenditure requirements.

22 藝發局層面的財務狀況表

(以港幣列示)

22 Council-level statement of financial position

(Expressed in Hong Kong dollars)

		附註 Note	2019	2018
			\$	\$
資產	ASSETS			
非流動資產	Non-current asset			
物業、廠房及設備	Property, plant and equipment	10(b)	3,762,769	2,734,721
信託基金投資	Investment in the Trust Funds	12	1,356,392	1,356,392
			5,119,161	\$4,091,113
流動資產	Current assets			
應收款、預付款及按金	Receivables, prepayments and deposits	11	62,745,300	66,784,430
應收香港藝術發展局款項	Amount due from Hong Kong Arts Development Fund		5,864,007	-
銀行存款及現金	Deposits and cash at bank	13	154,766,756	110,596,375
			223,376,063	177,380,805
資產總值	Total assets		228,495,224	181,471,918
負債	LIABILITIES			
流動負債	Current liabilities			
應付藝術及體育發展基金款項	Amount due to Arts and Sport Development Fund	14	43,944	5,186,659
應付民政事務局款項	Amount due to Home Affairs Bureau	15	1,152,222	1,153,963
應付香港藝術發展公益基金款項	Amount due to Hong Kong Arts Community Fund	16	10,000	10,000
應付款及應計費用	Payables and accruals	17	107,331,062	79,237,257
遞延收入	Deferred income	18	61,626,736	53,958,692
			170,163,964	139,546,571
非流動負債	Non-current liabilities			
遞延收入	Deferred income	18	37,769,360	22,434,776
長期服務金準備	Provision for long service payment		584,174	578,645
			38,353,534	23,013,421
負債總額	Total liabilities		208,517,498	162,559,992
資金	FUNDS	19		
儲備	Reserve		16,023,274	15,482,731
黃竹坑藝術空間儲備	Wong Chuk Hang Artspace Reserve		615,928	126,155
香港藝術發展局基金	Hong Kong Arts Development Council Fund		1,982,132	1,946,648
			18,621,334	17,555,534
何鴻猷爵士藝術教育資助基金	Sir Joseph Hotung Arts Education Endowment Fund		1,356,392	1,356,392
			19,977,726	18,911,926
資金及負債總額	Total funds and liabilities		228,495,224	181,471,918

本財務報表於二零一九年九月二十四日由藝發局大會核准並許可簽發，並由以下委員代表簽署：
王英偉博士，藝發會主席
周蕙心女士，藝發會行政總裁

Approved and authorised for issue by the Council on 24 September 2019 and are signed on its behalf by:
Dr. Wilfred WONG Ying-wai, Council Chairman
Ms. Winsome CHOW, Council Chief Executive

23 已頒布但尚未在截至二零一九年三月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響

截至本財務報表刊發日，香港會計師公會已頒布多項在截至二零一九年三月三十一日止年度尚未生效，亦沒有在財務報表採用的修訂、新準則和詮釋。以下各項可能與本集團相關。

《香港財務報告準則》第 16 號「租賃」

在以下日期或之後開始的會計期間生效
2019 年 1 月 1 日

本集團正在評估預期該等修訂、新準則和詮釋於初步應用期間的影響。目前本集團已識別該等新準則中會對綜合財務報表產生影響的若干方面。預期影響的進一步詳情於下文論述。由於本集團尚未完成其評估，故本集團可於適當時候識別進一步影響，並將於釐定是否於生效日期前採納任何該等新規定，以及根據新訂準則有替代方法可用時採用何種過渡方法的情況下，考慮該等影響。本集團無意提前採用該等修訂或新準則。

《香港財務報告準則》第 16 號「租賃」

應用新會計模型後，預計會導致資產和負債增加，並影響租賃期內在收支表中確認費用的時間。誠如附註 20 所披露，於二零一九年三月三十一日，本集團根據不可撤銷經營租賃涉及物業的未來最低租賃付款額為 16,133,512 元，其中一部分應在一至五年內支付。因此，一旦採用《香港財務報告準則》第 16 號，部分金額連同相應的使用權資產可能需要確認為租賃負債。本集團將需要進行更詳細的分析，以釐定在採用《香港財務報告準則》第 16 號後經營租賃承諾產生的新資產和負債金額，並考慮實際權宜方法的適用情況，以及就目前及採納《香港財務報告準則》第 16 號之間所訂立或終止的任何租賃及貼現影響作出調整。

23 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2019 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

HKFRS 16, Leases

Effective for accounting periods beginning on or after
1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have an impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards. The Group does not intend to early adopt any of these amendments or new standards.

HKFRS 16, Leases

The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of income and expenditure over the period of the lease. As disclosed in note 20, at 31 March 2019 the Group's future minimum lease payments under non-cancellable operating leases amount to \$16,133,512 for properties, part of it is payable between 1 year and 5 years. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

(謹作管理會計賬目參考之用)

(For management purpose)

捐贈、贊助、其他收入和
配對資助表
截至二零一九年三月
三十一日止年度

STATEMENT OF DONATIONS, SPONSORSHIPS,
OTHER INCOME AND MATCHING GRANTS
FOR THE YEAR ENDED 31 MARCH 2019

(Expressed in Hong Kong dollars)

(以港幣列示)

收入	Income	捐款 / 贊助 / 其他收入	配對資助
		Donations/ Sponsorships/ Other income	Matching grants
		\$	\$
撥款收入來源：	Subvention income from Hong Kong		
- 香港特別行政區政府	SAR Government:		
- 經常性資助	- Recurrent	152,215,000	-
- 遞延收入的確認	- Realisation of deferred income	1,924,851	-
- 藝術及體育發展基金	- Arts and Sport Development Fund	32,626,007	-
- 民政事務局資助收入	- Grant income from Home Affairs Bureau	26,021,021	-
- ADC 藝術空間資助收入	- Grant income for ADC Artspace	238,233	-
香港藝發局配對資助計劃之下向香港藝發局 作出的捐贈 (附註)	Donations addressed to HKADC under HKADC's Matching Fund Scheme (Note)	10,706,762	13,088,186
ADC 藝術空間的收入	Income from ADC Artspace	1,586,547	-
贊助收入	Sponsorship income	20,095,793	-
利息收入	Interest income	2,676,128	-
其他收入	Other income	464,674	-
		248,555,016	13,088,186
支出	Expenditure		
資助開支	Grant expenditure	86,629,495	-
香港藝發局配對資助計劃之下向藝術機構提供的配 對資助 (附註)	Matching grants for arts organisations under HKADC's Matching Fund Scheme (Note)	10,706,762	13,088,186
藝術發展項目	Arts development projects	102,874,755	-
行政費用	Administrative expenses	47,276,381	70,000
		247,487,393	13,158,186
年度盈餘 / (虧絀)	Surplus/(deficit) for the year	1,067,623	(70,000)

附註：截至二零一九年三月三十一日止年度，藝發局收到了向獲資助藝團提供的捐贈和贊助10,706,762元，其中10,706,762元已於年內退還給獲資助藝團。

Note: During the year ended 31 March 2019, donations and sponsorships to the Grantees of \$10,706,762 were received by the Council, of which \$10,706,762 was returned to the Grantees during the year.

香港藝術發展公益基金 (「基金會」)

截至二零一九年三月三十一日止年度
財務報表

HONG KONG ARTS COMMUNITY FUND ("THE FOUNDATION")

Financial Statements
Year ended 31 March 2019

理事委員會報告

理事委員會欣然將香港藝術發展公益基金(「基金會」)截至二零一九年三月三十一日止年度的報告及經審核財務報表呈覽。

理事委員會是根據基金會的議決及指引，於二零一一年二月二十四日成立及運作。

主要活動

基金會的主要活動是籌募捐款，用以推廣及支持香港藝術發展。

理事委員會委員

理事委員會於本財政年度內及截至本報告發表當日的委員如下：

王英偉博士(主席)
民政事務局局長或其代表

委員於交易、安排或合約的利益

理事委員會於年結時或本年度內任何時間，均沒有訂立任何理事委員會委員直接或間接擁有重大利益的重要合約。同時在本年度內，並無簽定或存在任何與理事委員會營運的整體或任何重要部份有關的管理及行政合約。

核數師

畢馬威會計師事務所任滿告退，並願膺選連任。

理事委員會代表

主席
二零一九年九月二十四日

REPORT OF THE OPERATIONS COMMITTEE

The Operations Committee have pleasure in submitting its report together with the audited financial statements of the Hong Kong Arts Community Fund ("the Foundation") for the year ended 31 March 2019.

The Operations Committee was established and has operated with effect from 24 February 2011 under a resolution and direction of the Foundation.

Principal activities

The principal activities of the Foundation are to raise donations for promotion and to support the development of the arts in Hong Kong.

Members of the Operations Committee

The members of the Operations Committee during the financial year and up to the date of this report were:

Dr. Wilfred WONG Ying-wai (Chairman)
Secretary for Home Affairs or his representative

Members' interests in transactions, arrangements or contracts

No contract of significance to which the Operations Committee was a party and in which a member of the Operations Committee had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. No contract concerning the management and administration of the whole or any substantial part of the operations of the Operations Committee was entered into or existed during the year.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Operations Committee

Chairman
24 September 2019

獨立核數師報告書 致香港藝術發展公益基金 （「基金會」）受託人

（根據《香港藝術發展局條例》第5(2)(c)條成立）

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HONG KONG ARTS COMMUNITY FUND ("THE FOUNDATION")

(Established under section 5(2)(c) of Hong Kong Arts Development Council Ordinance)

意見

本核數師（以下簡稱「我們」）已審核列載於第141至147頁香港藝術發展公益基金（「基金會」）的財務報表，此財務報表包括於二零一九年三月三十一日的財務狀況表及截至該日止年度的收支表、全面收益表、資金變動表和現金流量表，以及財務報表附註，包括主要會計政策概要。

我們認為，該等財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了基金會於二零一九年三月三十一日的財務狀況及截至該日止年度的財務表現及現金流量。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於基金會，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

財務報表及其核數師報告以外的信息

受託人需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括財務報表及我們的核數師報告。

我們對財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

受託人就財務報表須承擔的責任

受託人須負責根據香港會計師公會頒布的《香港財務報告準則》及《香港藝術發展局條例》擬備真實而中肯的財務報表，並對其認為為使財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備財務報表時，受託人負責評估基金會持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非受託人有意將基金會清盤或停止經營，或別無其他實際的替代方案。

核數師就審計財務報表承擔的責任

我們的目標，是對財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照業務約定條款，僅向整體成員報告。除此以

Opinion

We have audited the financial statements of Hong Kong Arts Community Fund ("the Foundation") set out on pages 141 to 147, which comprise the statement of financial position as at 31 March 2019, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 March 2019 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").

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation 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 Trustee is responsible for the other information. The other information comprises all the information included in the annual report, other than 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 the Trustee for the financial statements

The Trustee is 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 Arts Development Council Ordinance and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the Foundation'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 Trustee either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume

外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對基金會內部控制的有效性發表意見。
- 評價受託人所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對受託人採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對基金會的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致基金會不能持續經營。
- 評價財務報表的整體列報方式、結構和內容，包括披露，以及財務報表是否中肯反映交易和事項。

除其他事項外，我們與受託人溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

畢馬威會計師事務所
執業會計師
香港中環
遮打道 10 號
太子大廈 8 樓

二零一九年九月二十四日

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 judgement and maintain professional scepticism 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's 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 Foundation'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 Foundation 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 the Trustee 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.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

24 September 2019

收支表
截至二零一九年三月
三十一日止年度

(以港幣列示)

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2019

(Expressed in Hong Kong dollars)

		2019	2018
		\$	\$
收入	Income		
來自香港藝術發展局的捐款	Donation from the Hong Kong Arts Development Council	10,000	10,000
利息收入	Interest income	2,533	683
		12,533	10,683
支出	Expenditure		
核數師酬金	Auditor's remuneration	10,000	10,000
其他費用	Other expenses	710	600
		10,710	10,600
年度盈餘	Surplus/(deficit) for the year	1,823	83

全面收益表
截至二零一九年三月
三十一日止年度

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

在所呈兩個年度，除了「年度盈餘」一項，基金會並無全面收益的組成部分。由於基金會在該兩個年度的「全面收益總額」相等於「年度盈餘」，因此並無另外列報全面收益表。

The Foundation had no components of comprehensive income other than "Surplus for the year" in either of the years presented. Accordingly, no separate statement of comprehensive income is presented as the Foundation's "total comprehensive income" was the same as the "Surplus for the year" in both years.

財務狀況表
於二零一九年
三月三十一日

(以港幣列示)

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2019

(Expressed in Hong Kong dollars)

	附註 Note	2019	2018
		\$	\$
資產			
ASSETS			
流動資產			
Current assets			
應收款及預付款		2,249	404
應收香港藝術發展局款項	4	10,000	10,000
銀行存款及現金	5	1,374,579	1,374,601
資產總額		1,386,828	1,385,005
負債			
LIABILITY			
流動負債			
Current liability			
應計費用		10,000	10,000
負債總額		10,000	10,000
資金			
FUNDS			
儲備		6,015	6,721
專用基金	6	1,370,813	1,368,284
		1,376,828	1,375,005
資金及負債總額		1,386,828	1,385,005

理事委員會及受託人於二零一九年九月二十四日
核准並許可簽發。

王英偉博士，藝發局主席，理事委員會
周蕙心女士，藝發局行政總裁，受託人

Approved and authorised for issue by the Operations Committee and the Trustee on
24 September 2019.

Dr. Wilfred WONG Ying-wai, Council Chairman, Operations Committee
Ms. Winsome CHOW, Council Chief Executive, Trustee

資金變動表
截至二零一九年三月
三十一日止年度

(以港幣列示)

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2019

(Expressed in Hong Kong dollars)

	附註 Note	儲備 Reserve	專用基金 Restricted fund	總額 Total
		\$	\$	\$
於 2017 年 4 月 1 日	At 1 April 2017	7,321	1,367,601	1,374,922
年度盈餘及全面收益總額	Surplus and total comprehensive income for the year	83	-	83
撥款予專用基金	Appropriation to restricted fund	6 (683)	683	-
於 2018 年 3 月 31 日及 2018 年 4 月 1 日	At 31 March 2018 and 1 April 2018	6,721	1,368,284	1,375,005
年度盈餘及全面收益總額	Surplus and total comprehensive income for the year	1,823	-	1,823
撥款予專用基金	Appropriation to restricted fund	6 (2,529)	2,529	-
於 2019 年 3 月 31 日 At 31 March 2019		6,015	1,370,813	1,376,828

現金流量表
截至二零一九年三月
三十一日止年度

(以港幣列示)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

(Expressed in Hong Kong dollars)

	附註 Note	2019	2018
		\$	\$
營運活動	Operating activities		
年度盈餘	Surplus for the year	1,823	83
調整項目： - 利息收入	Adjustment for: - Interest income	(2,533)	(683)
營運資金變動前的營運虧絀及 經營活動所用的現金淨額	Operating deficit before changes in working capital and net cash used in operating activities	(710)	(600)
投資活動	Investing activities		
原到期日多於三個月的定期存款存放額	Placement of time deposits with original maturity over three months	(684)	(683)
已收利息	Interest received	688	683
投資活動產生的現金淨額	Net cash generated from investing activities	4	-
現金及現金等價物減少淨額	Net decrease in cash and cash equivalents	(706)	(600)
於 4 月 1 日的現金及現金等價物	Cash and cash equivalents at 1 April	6,625	7,225
於 3 月 31 日的現金及現金等價物	Cash and cash equivalents at 31 March	5,919	6,625

第 144 頁至第 147 頁的附註屬本財務報表的組成部分。 The notes on pages 144 to 147 form part of these financial statements.

財務報表附註

(以港幣列示)

1 主要活動

香港藝術發展公益基金(「基金會」)是根據於二零零八年七月三十一日簽訂的信託契約而成立。基金會的主要營運地點設於香港鰂魚涌英皇道1063號10樓。

基金會成立的目的是籌募資金，用以推廣及支持香港藝術發展，並由香港藝術發展局(「藝發局」)作為基金受託人。根據《稅務條例》第88條，基金會屬於慈善信託基金，可豁免繳稅。

除非另有說明，否則基金會的財務報表均以港幣列報。

2 母公司

藝發局為基金會的母公司。

3 主要會計政策

(a) 合規聲明

本財務報表是按照香港會計師公會頒布的所有適用的《香港財務報告準則》(此統稱包含所有適用的《香港財務報告準則》、《香港會計準則》和詮釋)和香港公認會計準則而編製。以下是基金會採用的主要會計政策概要。

香港會計師公會頒布了數項新訂和經修訂的《香港財務報告準則》。這些準則在基金會當前的會計期間首次生效或可供提前採納。採納新訂和經修訂的《香港財務報告準則》對基金會當前或以往期間編備或呈報業績和財務狀況的方式並無重大影響。

基金會於本會計期間並無採用尚未生效的新準則或詮釋(參閱附註9)。

(b) 財務報表的編製基準

本財務報表是以歷史成本作為計量基準而編製的。

管理層需在編製符合《香港財務報告準則》的財務報表時作出對會計政策的應用，以及資產、負債、收入和支出的報告數額構成影響的判斷、估計和假設。這些估計和相關假設是根據以往經驗和管理層因應當時情況認為合理的多項其他因素作出的，其結果構成了管理層在無法依循其他途徑即時得知資產與負債的賬面值時所作出判斷的基礎。實際結果可能有別於估計數額。

管理層會不斷審閱各項估計和相關假設。如果會計估計的修訂只是影響某一期間，其影響便會在該期間內確認；如果修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間確認。

(c) 應收款(包括應收香港藝術發展局款項)

當基金會無條件有權獲得對價時，應收款便予以確認。如果只需要經過一段時間才能支付對價，則收取對價的權利是無條件的。

應收款使用實際利率法以攤餘成本列示，減去按以下釐定的信貸損失準備金：

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 Principal activities

The Hong Kong Arts Community Fund (“the Foundation”) was formed under a trust deed dated 31 July 2008. The principal place of operation of the Foundation is located at 10/F, 1063 King’s Road, Quarry Bay, Hong Kong.

The Foundation was set up for fund raising to promote and support the development of the arts in Hong Kong and is held in trust by the Hong Kong Arts Development Council (“the Council”) as trustee. The Foundation, being a charitable trust, is exempt from tax under section 88 of the Inland Revenue Ordinance.

The Foundation’s financial statements are presented in Hong Kong dollars unless otherwise stated.

2 Parent entity

The Foundation regards the Council as its parent entity.

3 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by the Foundation is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Foundation. None of these developments have had a material effect on how the Foundation’s results and financial position for the current or prior periods have been prepared or presented.

The Foundation has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 9).

(b) Basis of preparation of the financial statements

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

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Receivables (including the amount due from the Hong Kong Arts Development Council)

Receivables are recognised when the Foundation has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

(A) 自二零一八年四月一日起適用的政策

損失準備金按相等於整個存續期預期信用損失（「ECL」）的金額計量，即預期在應收款項的預期存續期內產生的損失。損失準備金是根據基金會的歷史信用損失經驗，使用準備金矩陣進行估算的，並根據債務人特有的因素進行調整，並評估報告日當前和預期的總體經濟狀況。

預期信用損失在每個報告日期重新計量，任何變動均確認為損益的減值損益。基金會通過損失備抵賬確認為減值損益，並相應調整應收款的賬面金額。

應收款的總賬面金額（部分或全部）會被沖銷，並以無法收回的實際可能性為限。當基金會確定債務人沒有能夠產生足夠現金流量來償還被沖銷款項的資產或收入來源時，通常就是這種情況。

(B) 於二零一八年四月一日前適用的政策

如出現客觀的減值跡象，便會確認減值虧損。減值虧損是以金融資產的賬面金額與按照金融資產的原定實際利率折現（如果折現會造成重大影響）的預計未來現金流量之間的差額計量。減值的客觀跡象包括基金會注意到如借款人出現重大的財務困難且影響有關資產的預計未來現金流量等事件的可觀察數據。

當應收款的可收回性被視為可疑，但不是可能性極低時，會確認減值損失。當基金會認為收回的可能性極低時，被視為不可收回的數額便會直接沖銷相關資產的總賬面價值。其後收回早前計入準備賬的數額會在準備賬轉回。準備賬的其他變動和其後收回早前直接沖銷的數額均在損益中確認。

(d) 應計費用

應計費用按公允價值初始確認，其後按攤銷成本列賬；但如折現影響並不重大，則按成本列賬。

(e) 現金及現金等價物

現金及現金等價物包括銀行存款、現金、存放於銀行和其他財務機構的活期存款，以及短期和高流動性的投資。這些投資可以隨時換算為已知的現金額、價值變動方面的風險不重大，並在購入後三個月內到期。

(f) 準備和或有負債

如果基金會須就已發生的事件承擔法律或推定義務，因而預期會導致含有經濟效益的資源外流，在可以作出可靠的估計時，基金會便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計所需支出的現值計提準備。

如果含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債，但資源外流的可能性極低則除外。如果基金會的義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或有負債，但資源外流的可能性極低則除外。

(g) 收入確認

當將服務控制權轉移給客戶時，收入應以基金會預期應享有的承諾對價的金額確認，但不包括代表協力廠商收取的金額。基金會收入確認政策的詳細信息如下：

- (i) 捐款收入在確定有權收取付款時確認。
- (ii) 利息收入是在產生時按實際利率法確認。

(A) Policy applicable from 1 April 2018

The loss allowance is measured at an amount equal to lifetime expected credit losses (“ECLs”), which are those losses that are expected to occur over the expected life of the receivables. The loss allowance is estimated using a provision matrix based on the Foundation’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Foundation recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of receivables through a loss allowance account.

The gross carrying amount of receivables are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Foundation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(B) Policy applicable prior to 1 April 2018

Impairment losses were recognised when there was objective evidence of impairment and were measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset’s original effective interest rate where the effect of discounting was material. Objective evidence of impairment included observable data that came to the attention of the Foundation about events that had an impact on the asset’s estimated future cash flows such as significant financial difficulty of the debtor.

When the recovery of receivables were considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Foundation was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

(d) Accruals

Accruals are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(f) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Foundation has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(g) Income recognition

Income is recognised when control over service is transferred to the customer at the amount of promised consideration to which the Foundation is expected to be entitled, excluding those amounts collected on behalf of third parties. Further details of the Foundation’s income recognition policies are as follows:

- (i) Donation income is recognised when the right to receive payment is established.
- (ii) Interest income is recognised as it accrues using the effective interest method.

(h) 關聯方

(a) 如屬以下人士，即該人士或該人士的近親是基金會的關聯方：

- (i) 控制或共同控制基金會；
- (ii) 對基金會有重大影響力；或
- (iii) 是基金會或基金會母公司的關鍵管理人員。

(b) 如符合下列任何條件，即企業實體是基金會的關聯方：

- (i) 該實體與基金會隸屬同一集團（即各母公司、附屬公司和同系附屬公司彼此間有關聯）。
- (ii) 一家實體是另一實體的聯營公司或合營企業（或另一實體所屬集團旗下成員公司的聯營公司或合營企業）。
- (iii) 兩家實體是同一第三方的合營企業。
- (iv) 一家實體是第三方實體的合營企業，而另一實體是第三方實體的聯營公司。
- (v) 該實體是為基金會或作為基金會關聯方的任何實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受到上述第 (a) 項內所認定人士控制或共同控制。
- (vii) 上述第 (a)(i) 項內所認定人士對該實體及基金會有重大影響力或是該實體及基金會（或該實體母公司）的關鍵管理人員。
- (viii) 該實體或其作為一部分的任何集團成員公司向基金會或基金會的母公司提供關鍵管理人員服務。

一名個人的近親是指與有關實體交易並可能影響該個人或受該個人影響的家庭成員。

4 應收香港藝術發展局款項

應收香港藝術發展局的款項是沒有抵押、免息及須應要求償還。

5 銀行存款及現金

存款
銀行存款及現金

在財務狀況表列示的銀行存款及現金
減：原到期日多於三個月的存款

在現金流量表列示的現金及現金等價物

(h) Related parties

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

- (i) has control or joint control over the Foundation;
- (ii) has significant influence over the Foundation; or
- (iii) is a member of the key management personnel of the Foundation or the Foundation's parent.

(b) An entity is related to the Foundation if any of the following conditions applies:

- (i) The entity and the Foundation 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 Foundation or an entity related to the Foundation.
- (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 and the Foundation or is a member of the key management personnel of the entity and the Foundation (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 Foundation or to the Foundation's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4 Amount due from the Hong Kong Arts Development Council

The amount due from the Hong Kong Arts Development Council is unsecured, interest-free and recoverable on demand.

5 Deposits and cash at bank

	<u>2019</u>	<u>2018</u>
	\$	\$
存款	1,368,660	1,367,976
銀行存款及現金	5,919	6,625
在財務狀況表列示的銀行存款及現金	1,374,579	1,374,601
減：原到期日多於三個月的存款	(1,368,660)	(1,367,976)
在現金流量表列示的現金及現金等價物	5,919	6,625

6 專用基金

專用基金是指何鴻燊爵士捐助 1,000,000 元予藝發局成立資助藝術教育的基金的滾存。藝發局可運用此基金的利息收入資助各項藝術教育計劃，而基金的本金則會繼續全數用作長期投資。

由二零零九年四月一日開始，藝發局從何鴻燊爵士藝術教育資助基金轉撥 1,356,392 元，以資助基金會的營運。截至二零一九年三月三十一日止年度，所產生的 2,529 元（二零一八年：683 元）利息收入已從儲備轉撥至專用基金。

7 金融風險管理和公允價值

基金會須在正常業務過程中承受信貸和流動資金風險。基金會對這些風險的承擔額以及為管理這些風險所採用的金融風險管理政策和慣常

6 Restricted fund

The restricted fund represents the unutilised amount of a \$1 million donation from Sir Joseph Hotung for the Council's establishment of a fund dedicated to support arts education. Interest income from the fund is used to support various arts education programmes of the Council, and the entire principal amount will be kept for long-term investment.

Effective from 1 April 2009, the Council transferred the Sir Joseph Hotung Arts Education Endowment Fund of \$1,356,392 to support the operation of the Foundation. During the year ended 31 March 2019, an interest income of \$2,529 (2018: \$683) was generated and transferred from the reserve to the restricted fund.

7 Financial risk management and fair value

Exposure to credit and liquidity risks arises in the normal course of the Foundation's operation. The Foundation's exposure to these risks and the financial risk management policies and practices used by the Foundation to manage these risks are described below. The

做法載列於下文。基金會無需承受重大的貨幣和利率風險。

(a) 信貸風險

基金會的信貸風險主要來自應收香港藝術發展局款項、按金及銀行存款。基金會將不斷監察所承受的信貸風險程度。

由於應收香港藝術發展局的款項具有一定財務實力，而且期限很短，因此預期信用損失的準備額不大。

基金會因銀行存款和現金產生的信用風險有限，因為交易對手是香港的金融機構，它們的信用質量高，並符合既定的信用等級或基金會認為低信用風險的其他標準。

(b) 流動資金風險

基金會定期監察當前和預期的流動資金需求，從而確保能維持足夠的現金儲備，以應付短期及較長期的流動資金需求。

基金會在報告期末的所有金融負債均無計息，並須於一年內或須應要求償還。

(c) 公允價值

所有金融工具均以與二零一九年和二零一八年三月三十一日的公允價值分別不大的數額入賬。

8 管理資金

基金會的資金來自儲備及專用基金。基金會的目標在於維持足夠儲備及資金，確保基金會能持續營運及應付現時及未來營運支出的需要。

9 已頒布但尚未在截至二零一九年三月三十一日止年度生效的修訂、新準則和詮釋可能帶來的影響

截至本財務報表刊發日，香港會計師公會已頒布數項在截至二零一九年三月三十一日止年度尚未生效，亦沒有在本財務報表採用的修訂和新準則。

基金會正在評估這些修訂和新準則於初始應用期間的影響。到目前為止，基金會總結認為採納這些修訂和新準則，不大可能會對基金會的業績及財務狀況造成重大影響。

Foundation is not exposed to significant currency and interest rate risks.

(a) Credit risk

The Foundation's credit risk is primarily attributable to amount due from the Hong Kong Arts Development Council and deposits and cash at bank. The Foundation monitors the exposure to credit risk on an ongoing basis.

Due to the financial strength of amount due from the Hong Kong Arts Development Council, and the short duration of the amount due from the Hong Kong Arts Development Council, the ECL allowance is considered insignificant.

The Foundation's exposure to credit risk arising from deposits and cash at bank is limited because the counterparties are financial institutions in Hong Kong with high-credit quality and meet the established credit rating or other criteria which the Foundation considers to have low credit risk.

(b) Liquidity risk

The Foundation regularly monitors current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

All of the Foundation's financial liabilities at the end of reporting period do not bear interest and are repayable within one year or on demand.

(c) Fair value

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2019 and 2018.

8 Management of fund

The Foundation's fund represents reserve and restricted fund. It is the Foundation's objective to maintain sufficient reserves and funds to safeguard the Foundation's ability to continue as a going concern and to support its current and future operating expenditure requirements.

9 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2019 and which have not been adopted in these financial statements.

The Foundation is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Foundation's results and financial position.

香港藝術發展基金 (「信託基金」)

自二零一八年十二月七日(成立日期)至
二零一九年三月三十一日止期間財務報表

HONG KONG ARTS DEVELOPMENT FUND ("THE TRUST")

Financial Statements
Period from 7 December 2018 (date of establishment) to 31 March 2019

受託人報告

REPORT OF THE TRUSTEE

受託人欣然將香港藝術發展基金(「信託基金」)自二零一八年十二月七日(成立日期)至二零一九年三月三十一日止期間的報告及經審核財務報表呈覽。

根據日期為二零一八年十二月七日信託契約(「信託契約」)的議決和指示,信託基金於二零一八年十二月七日成立並開始運作。香港藝術發展局是根據信託契約的條款和條件持有和管理信託基金的受託人。

主要活動

信託基金的主要活動是籌募捐款,用以推廣及支持香港藝術發展。

核數師

畢馬威會計師事務所於二零一九年二月二十六日首次獲委任為信託基金的核數師。

受託人代表

主席
二零一九年九月二十四日

The Trustee submit herewith its report together with the audited financial statements of the Hong Kong Arts Development Fund ("the Trust") for the period from 7 December 2018 (date of establishment) to 31 March 2019.

The Trust was established and has operated with effect from 7 December 2018 under a resolution and direction of the trust deed dated 7 December 2018 ("the Trust Deed"). Hong Kong Arts Development Council is the Trustee to hold and administer the Trust in accordance with terms and conditions of the Trust Deed.

Principal activities

The principal activities of the Trust are to raise donations for promotion and support of the development of the arts in Hong Kong.

Auditors

KPMG were first appointed as auditors of the Trust on 26 February 2019.

For and on behalf of the Trustee

Chairman
24 September 2019

獨立核數師報告書 致香港藝術發展公益基金 （「基金會」）受託人

（根據《香港藝術發展局條例》第 5(2)(o) 條成立）

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HONG KONG ARTS COMMUNITY FUND ("THE TRUST")

(Established under section 5(2)(o) of Hong Kong Arts Development Council Ordinance)

意見

本核數師（以下簡稱「我們」）已審核列載於第 151 至 156 頁香港藝術發展基金（「信託基金」）的財務報表，此財務報表包括於二零一九年三月三十一日的財務狀況表及自二零一八年十二月七日（成立日期）至二零一九年三月三十一日止期間的收支表、全面收益表和資金變動表，以及財務報表附註，包括主要會計政策概要。

我們認為，該等財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了信託基金於二零一九年三月三十一日的財務狀況及自二零一八年十二月七日（成立日期）至二零一九年三月三十一日止期間的財務表現及現金流量。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於信託基金，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

財務報表及其核數師報告以外的信息

受託人需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括財務報表及我們的核數師報告。

我們對財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

受託人就財務報表須承擔的責任

受託人須負責根據香港會計師公會頒布的《香港財務報告準則》及《香港藝術發展局條例》擬備真實而中肯的財務報表，並對其認為為使財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備財務報表時，受託人負責評估信託基金持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非受託人有意將信託基金清盤或停止經營，或別無其他實際的替代方案。

核數師就審計財務報表承擔的責任

我們的目標，是對財務報表整體是否不存在由於

Opinion

We have audited the financial statements of Hong Kong Arts Development Fund ("the Trust") set out on pages 151 to 156, which comprise the statement of financial position as at 31 March 2019, the statement of income and expenditure, the statement of comprehensive income and the statement of changes in fund for the period from 7 December 2018 (date of establishment) to 31 March 2019 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 Trust as at 31 March 2019 and of its financial performance and its cash flows for the period from 7 December 2018 (date of establishment) to 31 March 2019 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Trust 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 Trustee is responsible for the other information. The other information comprises all the information included in the annual report, other than 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 the Trustee for the financial statements

The Trustee is 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 Arts Development Council Ordinance and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the Trust'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 Trustee either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as

欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照業務約定條款，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對信託基金內部控制的有效性發表意見。
- 評價受託人所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對受託人採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對信託基金的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致信託基金不能持續經營。
- 評價財務報表的整體列報方式、結構和內容，包括披露，以及財務報表是否中肯反映交易和事項。

除其他事項外，我們與受託人溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

畢馬威會計師事務所
執業會計師
香港中環遮打道 10 號太子大廈 8 樓
二零一九年九月二十四日

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, in accordance with our agreed terms of engagement, 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 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:

- 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's 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 Trust'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 Trust 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 the Trustee 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.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
24 September 2019

收支表
自二零一八年十二月七日
(成立日期)至二零一九年
三月三十一日止期間

(以港幣列示)

STATEMENT OF INCOME AND EXPENDITURE
FOR THE PERIOD FROM 7 DECEMBER 2018
(DATE OF ESTABLISHMENT) TO 31 MARCH 2019

(Expressed in Hong Kong dollars)

			自 2018 年 12 月 7 日 (成立日期)至 2019 年 3 月 31 日 止期間 Period from 7 December 2018 (date of establishment) to 31 March 2019
		附註 Note	\$
收入	Income		
藝術發展配對資助計劃的資助收入	Grant income for Art Development Matching Grants Scheme		13,088,186
		4(a)	13,088,186
支出	Expenditure		
配對資助計劃的贊助開支	Grant expenditure for Matching Fund Scheme	4(b)	13,088,186
核數師酬金	Auditor's remuneration		70,000
			13,158,186
期間虧絀	Deficit for the period		(70,000)

全面收益表
自二零一八年十二月七日
(成立日期)至二零一九年
三月三十一日止期間

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 7 DECEMBER 2018
(DATE OF ESTABLISHMENT) TO 31 MARCH 2019

在所呈兩個期間，除了「期間虧絀」一項，信託基金並無全面收益的組成部分。由於信託基金在該兩個期間的「全面收益總額」相等於「期間虧絀」，因此並無另外列報全面收益表。

The Trust had no components of comprehensive income other than "Deficit for the period" for the period presented. Accordingly, no separate statement of comprehensive income is presented as the Trust's "Total comprehensive income" was the same as the "Deficit for the period".

財務狀況表
於二零一九年
三月三十一日

(以港幣列示)

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2019

(Expressed in Hong Kong dollars)

		附註 Note	2019
			\$
資產	ASSET		
流動資產	Current asset		
應收賬款	Accounts receivables	5	9,564,579
資產總額	Total asset		9,564,579
負債	LIABILITIES		
流動負債	Current liabilities		
應付款及應計費用	Payables and accruals	6	3,770,572
應付香港藝術發展局款項	Amount due to Hong Kong Arts Development Council	7	5,864,007
負債總額	Total liabilities		9,634,579
資金	FUND		
儲備	Reserve		(70,000)
資金及負債總額	Total fund and liability		9,564,579

受託人於二零一九年九月二十四日核准並許可簽發。
王英偉博士，藝發局主席，理事委員會
周蕙心女士，藝發局行政總裁，受託人

Approved and authorised for issue by the Trustee on 24 September 2019.
Dr. Wilfred WONG Ying-wai, Council Chairman, Trustee
Ms. Winsome CHOW, Council Chief Executive, Trustee

資金變動表
自二零一八年十二月七日
(成立日期)至二零一九年
三月三十一日止期間

(以港幣列示)

STATEMENT OF CHANGES IN FUND
FOR THE PERIOD FROM 7 DECEMBER 2018
(DATE OF ESTABLISHMENT) TO 31 MARCH 2019

(Expressed in Hong Kong dollars)

		儲備 Reserve
		\$
於 2018 年 12 月 7 日 (成立日期)	At 7 December 2018 (date of establishment)	-
期間虧絀及全面收益總額	Deficit and total comprehensive income for the period	(70,000)
於 2019 年 3 月 31 日	At 31 March 2019	(70,000)

財務報表附註

(以港幣列示)

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 主要活動

香港藝術發展基金(「信託基金」)是根據於二零一八年十二月七日簽訂的信託契約而成立。信託基金的主要營運地點設於香港鰂魚涌英皇道1063號10樓。

信託基金成立的目的是籌募資金，用以推廣及支持香港藝術發展，並由香港藝術發展局(「藝發局」)作為基金受託人。根據《稅務條例》第88條，信託基金屬於慈善信託基金，可豁免繳稅。

除非另有說明，否則信託基金的財務報表均以港幣列報。

2 母公司

藝發局為信託基金的母公司。

3 主要會計政策

(a) 合規聲明

本財務報表是按照香港會計師公會頒布的所有適用的《香港財務報告準則》(此統稱包含所有適用的《香港財務報告準則》、《香港會計準則》和詮釋)和香港公認會計準則而編製。以下是信託基金採用的主要會計政策概要。

信託基金於本會計期間並無採用尚未生效的新準則或詮釋(參閱附註10)。

(b) 財務報表的編製基準

本財務報表是以歷史成本作為計量基準而編製的。

管理層需在編製符合《香港財務報告準則》的財務報表時作出對會計政策的應用，以及資產、負債、收入和支出的報告數額構成影響的判斷、估計和假設。這些估計和相關假設是根據以往經驗和管理層因應當時情況認為合理的多項其他因素作出的，其結果構成了管理層在無法依循其他途徑即時得知資產與負債的賬面值時所作出判斷的基礎。實際結果可能有別於估計數額。

管理層會不斷審閱各項估計和相關假設。如果會計估計的修訂只是影響某一期間，其影響便會在該期間內確認；如果修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間確認。

(c) 應收款

當信託基金無條件有權獲得對價時，應收款便予以確認。如果只需要經過一段時間才能支付對價，則收取對價的權利是無條件的。當信託基金無條件有權獲得對價時，收入便予以確認，相關金額作為合約資產列示。

應收款使用實際利率法以攤餘成本列示，減去按以下釐定的信貸損失準備金：

損失準備金按相等於整個存續期預期信用損失(「ECL」)的金額計量，即預期在應收賬款的預

1 Principal activities

The Hong Kong Arts Development Fund (“the Trust”) was formed under a trust deed dated 7 December 2018. The principal place of operation of the Trust is located at 10/F, 1063 King’s Road, Quarry Bay, Hong Kong.

The Trust was set up for fund raising to promote and support the development of the arts in Hong Kong and is held in trust by the Hong Kong Arts Development Council (“the Council”) as trustee. The Trust, being a charitable trust, is exempt from tax under section 88 of the Inland Revenue Ordinance.

The Trust’s financial statements are presented in Hong Kong dollars unless otherwise stated.

2 Parent entity

The Trust regards the Council as its parent entity.

3 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by the Trust is set out below.

The Trust has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 10).

(b) Basis of preparation of the financial statements

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

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Receivables

A receivable is recognised when the Trust has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Trust has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

The loss allowance is measured at an amount equal to lifetime expected credit losses (“ECLs”), which are those losses that are expected to occur over the expected life of the accounts receivable. The loss allowance is estimated using a provision matrix based on the Trust’s

期持續期內產生的損失。損失準備金是根據信託基金的歷史信用損失經驗，使用準備金矩陣進行估算的，並根據債務人特有的因素進行調整，並評估報告日當前和預期的總體經濟狀況。

預期信用損失在每個報告日期重新計量，任何變動均確認為損益的減值損益。信託基金通過損失備抵賬確認減值損益，並相應調整應收賬款的賬面金額。

應收賬款的總賬面金額（部分或全部）會被沖銷，並以無法收回的實際可能性為限。當信託基金確定債務人沒有能夠產生足夠現金流量來償還被沖銷款項的資產或收入來源時，通常就是這種情況。

(d) 應付款及應計費用

應付款及應計費用按公允價值初始確認，其後按攤銷成本列賬；但如折現影響並不重大，則按成本列賬。

(e) 現金流量表

自二零一八年十二月七日（成立日期）至二零一九年三月三十一日止期間並無編備任何現金流量表，因為期內信託基金並無有任何現金流量，期內任何時點也沒有任何現金和現金等價物。

信託基金業務所產生的現金流量全部由香港藝術發展局支收，所涉及金額全部計入應付香港藝術發展局的款項。

(f) 準備和或有負債

如果信託基金須就已發生的事件承擔法律或推定義務，因而預期會導致含有經濟效益的資源外流，在可以作出可靠的估計時，信託基金便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計所需支出的現值計提準備。

如果含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債，但資源外流的可能性極低則除外。如果信託基金的義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或有負債，但資源外流的可能性極低則除外。

(g) 政府資助

倘有合理保證政府將發放資助款項，政府資助撥款會按其公允價值初步於財務狀況表確認。

有特定用途的政府資助會於初期先確認為遞延收入。如有合理證明本集團會遵守政府資助條件及政府將發放資助款項，則該資助收入會按與政府欲資助的計劃成本相配的會計期間有系統地於收支表中確認。

(h) 關聯方

(a) 如屬以下人士，即該人士或該人士的近親是信託基金的關聯方：

- (i) 控制或共同控制信託基金；
- (ii) 對信託基金有重大影響力；或
- (iii) 是信託基金或信託基金母公司的關鍵管理人員。

historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Trust recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of accounts receivable through a loss allowance account.

The gross carrying amount of accounts receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Trust determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(d) Payable and accruals

Payable and accruals are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(e) Cash flow statement

No cash flow statement has been prepared for the period from 7 December 2018 (date of establishment) to 31 March 2019 because the Trust did not have any cash flows during the period nor did it have any cash and cash equivalents at any point throughout the period.

The cash flows which had resulted from the operations of the Trust were all paid and received by Hong Kong Arts Development Council, and the amounts involved had all been accounted for as payable to Hong Kong Arts Development Council.

(f) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Trust has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(g) Government grants

Government grants are recognised in the statement of financial position initially at their fair value when there is a reasonable assurance that the grant will be received.

Government grants, which are earmarked for special purposes, are initially recognised as deferred income. When there is reasonable assurance that the Trust will comply with the conditions attaching to the grants and the grants will be received, they are recognised in the statement of income and expenditure on a systematic basis over the period necessary to match with the related costs which they are intended to compensate.

(h) Related parties

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

- (i) has control or joint control over the Trust;
- (ii) has significant influence over the Trust; or
- (iii) is a member of the key management personnel of the Trust or the Trust's parent.

(b) 如符合下列任何條件，即企業實體是信託基金的關聯方：

- (i) 該實體與信託基金隸屬同一集團（即各母公司、附屬公司和同系附屬公司彼此間有關聯）。
- (ii) 一家實體是另一實體的聯營公司或合營企業（或另一實體所屬集團旗下成員公司的聯營公司或合營企業）。
- (iii) 兩家實體是同一第三方的合營企業。
- (iv) 一家實體是第三方實體的合營企業，而另一實體是第三方實體的聯營公司。
- (v) 該實體是為信託基金或作為信託基金關聯方的任何實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受到上述第 (a) 項內所認定人士控制或共同控制。
- (vii) 上述第 (a)(i) 項內所認定人士對該實體及信託基金有重大影響力或是該實體及信託基金（或該實體母公司）的關鍵管理人員。
- (viii) 該實體或其作為一部分的任何集團成員公司向信託基金或信託基金的母公司提供關鍵管理人員服務。

一名個人的近親是指與有關實體交易並可能影響該個人或受該個人影響的家庭成員。

4 收入和開支

(a) 收入

收入主要指香港特區政府為藝術局配對資助計劃提供的資助收入。

(b) 配對資助計劃的資助開支

支出主要是指就配對資助計劃向藝術團體提供的資助。

5 應收賬款

上述應收賬款與香港特區政府的政府配對資金有關，而香港特區政府的結算記錄良好。於二零一九年三月三十一日，所有應收賬款均未逾期。

6 應付款及應計費用

應付資助
應計款項
配對資助計劃之下的其他應付款項（附註）

(b) An entity is related to the Trust if any of the following conditions applies:

- (i) The entity and the Trust 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 Trust or an entity related to the Trust.
- (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 and the Trust or is a member of the key management personnel of the entity and the Trust (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 Trust or to the Trust's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4 Income and expenditure

(a) Income

Income mainly represents grant income for Art Development Matching Grants Scheme granted by Hong Kong SAR Government.

(b) Grant expenditure for Matching Fund Scheme

Expenditure mainly represents grant to arts groups for Matching Fund Scheme.

5 Accounts receivable

The above accounts receivable relate to government matched fund from the Hong Kong SAR Government, of which has good track records of settlement. As at 31 March 2019, all accounts the receivable were not past due.

6 Payable and accruals

Grants payable
Accruals
Other payables under the Matching Fund Scheme (Note)

2019

\$

3,700,572

70,000

-

\$ 3,770,572

附註：

本集團及藝發局的配對資助計劃下的其他應付款項是指根據配對資助計劃致藝發局應授予但尚未退還予獲資助藝團的捐贈和贊助。截至二零一九年三月三十一日止期間，藝發局收訖向獲資助藝團為數 10,706,762 元的捐贈和贊助，其中 10,706,762 元已於年內退還給獲資助藝團。

Note:

Other payables under the Matching Fund Scheme of the Group and the Council are donations and sponsorships to the Grantees addressed to the Council in accordance of the Matching Fund Scheme not yet returned to the Grantees. During the period ended 31 March 2019, donations and sponsorships to the Grantees of \$10,706,762 were received by the Council, of which \$10,706,762 was returned to the Grantees during the year

7 應付香港藝術發展局款項

應付香港藝術發展局的款項為無抵押、免息及應要求償還。

8 金融風險管理和公允價值

信託基金須在正常業務過程中承受信貸和流動資金風險。信託基金對這些風險的承擔額以及為管理這些風險所採用的金融風險管理政策和慣常做法載列於下文。信託基金無需承受重大的貨幣和利率風險。

(a) 信貸風險

信託基金的信貸風險主要來自應收款項。信託基金將不斷監察所承受的信貸風險程度。

截至報告期末，信託基金未持有任何會使信託基金承受重大信用風險的資產。信用風險的最大風險額度是指財務狀況表中每項金融資產的賬面價值。信託基金只有兩項應收賬款。由於債務人具有一定財務實力，而且應收賬款期限很短，因此預期信用損失的準備額不大。

(b) 流動資金風險

信託基金定期監察當前和預期的流動資金需求，從而確保能維持足夠的現金儲備，以應付短期及較長期的流動資金需求。

信託基金在報告期末的所有金融負債均無計息，並須於一年內或須應要求償還。

(c) 公允價值

所有金融工具均以與二零一九年三月三十一日的公允價值分別不大的數額入賬。

9 管理資金

信託基金的資金來自儲備。信託基金的目標在於維持足夠儲備及資金，確保信託基金能持續營運及應付現時及未來營運支出的需要。

10 已頒布但尚未在自二零一八年十二月七日（成立日期）至二零一九年三月三十一日止期間生效的修訂、新準則和詮釋可能帶來的影響

截至本財務報表刊發日，香港會計師公會已頒布數項在自二零一八年十二月七日（成立日期）至二零一九年三月三十一日止期間尚未生效，亦沒有在本財務報表採用的修訂和新準則。

信託基金正在評估這些修訂和新準則於初始應用期間的影響。到目前為止，信託基金總結認為採納這些修訂和新準則，不大可能會對信託基金的業績及財務狀況造成重大影響。

7 Amount due to the Hong Kong Arts Development Council

The amount due to the Hong Kong Arts Development Council is unsecured, interest-free and repayable on demand.

8 Financial risk management and fair value

Exposure to credit and liquidity risks arises in the normal course of the Trust's operation. The Trust's exposure to these risks and the financial risk management policies and practices used by the Trust to manage these risks are described below. The Trust is not exposed to significant currency and interest rate risks.

(a) Credit risk

The Trust's credit risk is primarily attributable to receivables. The Trust monitors the exposure to credit risk on an ongoing basis.

At the end of reporting period, the Trust did not hold any assets which would expose the Trust to significant credit risk. The maximum exposure to credit risk is represented the carrying amount of each financial asset in the statement of financial position. The Trust has only two accounts receivables. Due to the financial strength of the debtors and the short duration of the accounts receivable, the ECL allowance is considered insignificant

(b) Liquidity risk

The Trust regularly monitors current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

All of the Trust's financial liabilities at the end of reporting period do not bear interest and are repayable within one year or on demand.

(c) Fair value

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2019.

9 Management of fund

The Trust's fund represents reserve. It is the Trust's objective to maintain sufficient reserves and funds to safeguard the Trust's ability to continue as a going concern and to support its current and future operating expenditure requirements.

10 Possible impact of amendments, new standards and interpretations issued but not yet effective for the period from 7 December 2018 (date of establishment) to 31 March 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the period from 7 December 2018 (date of establishment) to 31 March 2019 and which have not been adopted in these financial statements.

The Trust is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Trust's results and financial positions.