

**THE ZUBIN MAHTANI GIDUMAL FOUNDATION LIMITED**  
**(Incorporated in Hong Kong and limited by guarantee)**

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**DIRECTORS' REPORT**

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The directors have pleasure in presenting their report together with the audited financial statements of the Foundation for the year ended 31 December 2016.

**FINANCIAL STATEMENTS**

The financial performance for the year is set out in the statement of income and general fund on page 4.

The financial position of the Foundation at 31 December 2016 is set out in the statement of financial position on page 5.

The cash flows of the Foundation for the year are set out in the statement of cash flows on page 6.

**PRINCIPAL ACTIVITIES**

The principal activities of the Foundation are in promoting participation and equal opportunities to racial minorities in Hong Kong, and educating the public about the status of ethnic minorities.

There have been no significant changes in the nature of these activities during the year.

**DIRECTORS**

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

Shalini Mahtani  
Ravi Gidumal

In accordance with the Foundation's Articles of Association, all directors continue to hold office.

**PERMITTED INDEMNITY PROVISIONS**

The Foundation's Articles provides that every director or other officer shall be indemnified out of the assets of the Foundation against any liability incurred by him in defending any action in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability from negligence, default, breach of duty or breach of trust in relation to the affairs of the Foundation, and against all costs, charges, losses, expenses or liabilities incurred by him in the proper execution and discharge of his duties or in relation thereto.

**MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the operation of the Foundation were entered into or existed during the year.

**DIRECTORS' INTERESTS IN CONTRACTS**

No contracts of significance, to which the Foundation was a party and in which a director of the Foundation had a material interest, subsisted at the end of the year or at any time during the year.

**AUDITORS**

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, eligible, offer themselves for re-appointment.

On behalf of the Board



Shalini Mahtani  
Director

19 JUN 2017



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE ZUBIN MAHTANI GIDUMAL FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)**

**Opinion**

We have audited the financial statements of The Zubin Mahtani Gidumal Foundation Limited ("the Foundation") set out on pages 4 to 8, which comprise the statement of financial position as at 31 December 2016, and the statement of income and general fund, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("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.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Directors and Those Charged with Governance for the Financial Statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE ZUBIN MAHTANI GIDUMAL FOUNDATION LIMITED - CONTINUED  
(Incorporated in Hong Kong and limited by guarantee)**


**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**WILLIAM PO & CO.**  
**Certified Public Accountants**

Hong Kong, **19 JUN 2017**

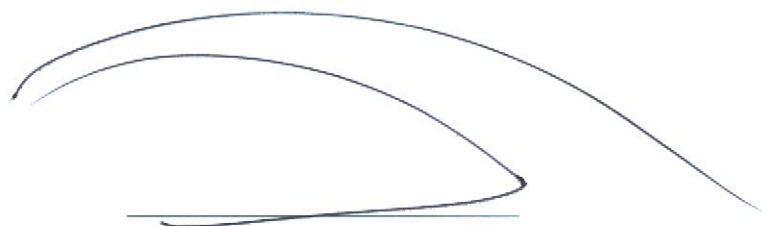
STATEMENT OF INCOME AND GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 HK\$	2015 HK\$
<b>Income</b>		
Donations - general	240,482	255,369
Donations - projects	161,865	-
Event income	52,771	45,408
Government subsidy	-	3,153
Other income	6	7
	<u>455,124</u>	<u>303,937</u>
<b>Expenditure</b>		
Accounting fees	-	2,000
Advertisement	351	-
Audit fee	7,000	6,500
Bank charges and other administration fees	3,224	950
Company secretarial fees	5,000	4,755
Computer accessories	3,452	12,591
Consultant fees	77,661	-
Donations	-	8,000
Event expenses	127,755	46,830
Government and other registration fee	8,295	-
Insurance	2,758	6,808
Mandatory provident fund contributions	9,301	17,113
Meeting expenses	4,602	-
Miscellaneous office expenditures	3,603	3,954
Postage, printing and copying	1,770	8,293
Staff salaries	196,010	349,652
Staff training	2,486	-
Subscriptions	850	-
Sundry expenses	150	150
Telephone	701	-
Transportation	396	78
Website and IT support fees	4,403	13,940
	<u>459,768</u>	<u>481,614</u>
<b>Deficit for the year</b>	<b>(4,644)</b>	<b>(177,677)</b>
<b>General fund brought forward</b>	<b>741,926</b>	<b>919,603</b>
<b>General fund carried forward</b>	<b>737,282</b>	<b>741,926</b>

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016

	2016 HK\$	2015 HK\$
<b>Current assets</b>		
Account receivables	900	21,498
Deposits	26,000	7,400
Cash and bank balances	1,404,300	750,043
	<u>1,431,200</u>	<u>778,941</u>
<b>Current liabilities</b>		
Accruals	11,700	37,015
Deferred donations	682,218	-
<b>Net current assets</b>	<u>737,282</u>	<u>741,926</u>
<b>Net assets</b>	<u>737,282</u>	<u>741,926</u>
<b>Funds</b>		
General fund	<u>737,282</u>	<u>741,926</u>

Approved by:


Shalini Mahtani  
Director

Ravi Gidumal  
Director



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 HK\$	2015 HK\$
<b>Operating activities</b>		
Deficit for the year and operating cash flows before changes in working capital	(4,644)	(177,677)
Decrease/(increase) in account receivables	20,598	(21,498)
Increase in deposits	(18,600)	(7,400)
(Decrease)/increase in accruals	(25,315)	31,515
Increase in deferred donations	682,218	-
<b>Cash generated from/(used in) from operations</b>	<u>654,257</u>	<u>(175,060)</u>
 <b>Increase/(decrease) in cash and cash equivalents</b>	 654,257	 (175,060)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>750,043</u>	<u>925,103</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>1,404,300</u></u>	<u><u>750,043</u></u>
 <b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	<u><u>1,404,300</u></u>	<u><u>750,043</u></u>

The notes on page 7 to 8 form an integral part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1 GENERAL**

The Foundation has been incorporated under the Companies Ordinance as a company limited by guarantee without share capital. The Foundation's registered office is located at 5/F., Unit F-J, Block 2, Kwai Tak Industrial Centre, 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong. The principal activities of the company are in promoting participation and equal opportunities to racial minorities in Hong Kong, and educating the public about the status of ethnic minorities. Under the provision of its Articles of Association, every member shall, in the event of the Foundation being wound up, contribute such amount as may be required to meet the liabilities of the company but not exceeding the sum of HK\$100 each.

**2 SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of preparation**

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

**(b) Recognition of revenue**

Revenue is recognised when it is probable that the economic benefits will flow to the company and when revenue can be measured reliably, on the following bases:

- \* donations for general purposes are recognised when the right to receive payment is established.
- \* event income is recognised when the activity is held.
- \* donations earmarked for specific purposes on projects are initially recognised as deferred income. When there is reasonable assurance that the Foundation will comply with the conditions attaching to the project income and the project income will be received, they are recognised in the statement of income and general fund over the period necessary to match with the related costs which they are intended to compensate.

**(c) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and demand deposits with original maturities of three months or less.

**(d) Related party**

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**3 STAFF COSTS**

	<b>2016</b>	2015
	<b>HK\$</b>	<b>HK\$</b>
Staff salaries	196,010	349,652
Mandatory provident fund contributions	9,301	17,113
	<u>205,311</u>	<u>366,765</u>

**4 DIRECTORS' REMUNERATION ( EQUIVALENT TO KEY MANAGEMENT PERSONNEL  
COMPENSATION)**

During the years ended 31 December 2016 and 31 December 2015, no amounts have been paid in respect of directors' emoluments, directors' or past directors' pensions or for any compensation to directors or past directors in respect of loss of office.

**5 TAXATION**

The Foundation is an approved charitable institution, and is therefore exempted from Hong Kong profits tax.

**6 RELATED PARTY TRANSACTIONS**

During the year, the Foundation recharged a related company for commonly shared expenses as follows:

	<b>2016</b>	2015
	<b>HK\$</b>	<b>HK\$</b>
Staff salaries	343,590	-
Mandatory provident fund contributions	17,180	-
Consultant fee	36,050	-
Others	38,547	-
	<u>435,367</u>	<u>-</u>

**7 APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Foundation's Board of Directors on **19 JUN 2017**