

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

THE ZUBIN MAHTANI GIDUMAL FOUNDATION LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Contents	Pages
Directors' report	1
Independent auditor's report	2 - 3
Statement of income and general fund	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7 - 10

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Foundation for the year ended 31 December 2019.

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 2019 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 Foundation is a charity and think tank committed to poverty alleviation and social inclusion of Hong Kong's 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	(resigned on 1 January 2019)
Ravi Gidumal	
Kishore Kundanmal Sakhrani	(appointed on 1 January 2019)
Catherine Ann Husted	(appointed on 1 June 2019)
Guneet Banga	(appointed on 9 October 2019)

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 of 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.

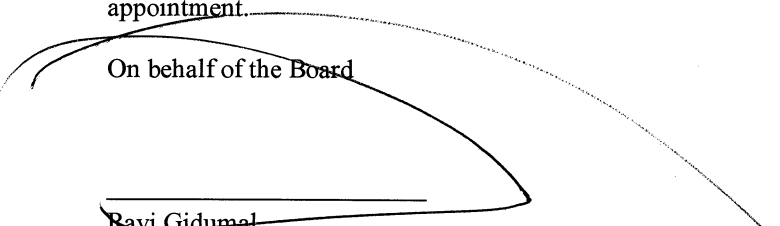
DIRECTORS' INTERESTS IN CONTRACTS

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


Ravi Gidumal
Director

15 JUL 2020

Certified Public Accountants

蒲錦文會計師事務所

**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 10, which comprise the statement of financial position as at 31 December 2019 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 2019 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 ("HKSAs") 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)**

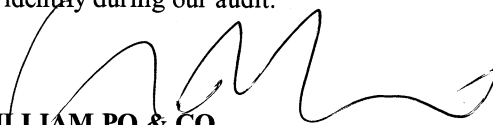
Auditor's Responsibilities for the Audit of the Financial Statements

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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, 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, 15 JUL 2020

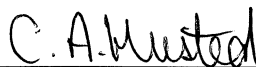
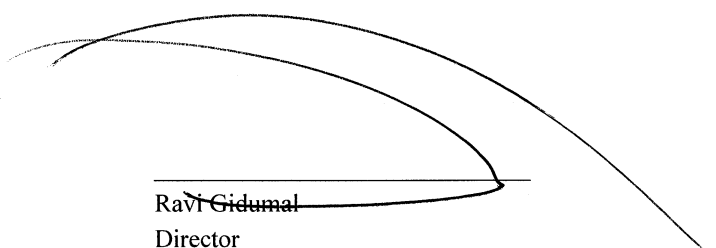
**STATEMENT OF INCOME AND GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 HK\$	2018 HK\$
Income		
Project income	2,956,768	2,091,574
Donations - general	1,104,679	183,538
Event income	15,112	114,347
Other income	3,617	937
	<u>4,080,176</u>	<u>2,390,396</u>
Expenditure		
Audit fee	19,000	17,000
Bank charges and other administration fees	1,090	3,953
Company secretarial fees	6,005	5,500
Computer accessories	4,937	19,416
Credit card merchant fee	-	8,000
Insurance	22,873	14,011
Mandatory provident fund contributions	6,595	4,135
Meeting expenses	3,793	7,347
Office supplies	4,819	863
Postage, printing and copying	-	3,451
Project expenses	3,397,384	2,133,793
Rental expenses	14,400	4,800
Staff costs	207,427	88,919
Staff training	12,918	4,690
Subscriptions	6,080	5,600
Telephone	1,351	1,795
Transportation	2,110	1,727
Website and IT support fees	2,206	12,490
	<u>3,712,988</u>	<u>2,337,490</u>
Surplus for the year	367,188	52,906
General fund brought forward	801,821	748,915
General fund carried forward	1,169,009	801,821

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	2019 HK\$	2018 HK\$
Current assets		
Account receivables	-	63,486
Other receivables	-	19,130
Deposits	3,000	3,000
Cash and bank balances	3,921,777	2,544,791
	<u>3,924,777</u>	<u>2,630,407</u>
Current liabilities		
Accruals	132,750	26,931
Other payables	-	10,210
Deferred income	2,623,018	1,791,445
	<u>2,755,768</u>	<u>1,828,586</u>
Net assets	<u>1,169,009</u>	<u>801,821</u>
Funds		
General fund	<u>1,169,009</u>	<u>801,821</u>

Approved by:


Catherine Ann Husted
Director

Ravi Gidumal
Director

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 HK\$	2018 HK\$
Operating activities		
Surplus for the year and operating cash flows before changes in working capital	367,188	52,906
Decrease in account receivables	63,486	401,715
Decrease/(increase) in other receivables	19,130	(19,130)
Increase in deposits	-	(3,000)
Increase in accruals	105,819	4,981
Decrease in other payables	(10,210)	(247,673)
Increase in deferred income	831,573	996,510
Cash generated from from operations	<u>1,376,986</u>	<u>1,186,309</u>
Increase in cash and cash equivalents	1,376,986	1,186,309
Cash and cash equivalents at the beginning of the year	<u>2,544,791</u>	<u>1,358,482</u>
Cash and cash equivalents at the end of the year	<u><u>3,921,777</u></u>	<u><u>2,544,791</u></u>
Analysis of cash and cash equivalents		
Cash and bank balances	<u><u>3,921,777</u></u>	<u><u>2,544,791</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 Foundation is a charity and think tank committed to poverty alleviation and social inclusion of Hong Kong's 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.
- * project income 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 projects 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.
- * on the rendering of services, on an appropriate basis over the relevant period in which the service are rendered.
- * event income is recognised when the activity is held.

(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 2019**

3 PROJECT EXPENSES

	2019	2018
	HK\$	HK\$
Advertising	11,763	13,650
Audit fee	11,000	8,500
Bank charges and other administration fees	2,190	3,120
Computer accessories	46,090	4,512
Consultant fee	26,400	436,479
Event expenses	83,405	47,251
Insurance	20,112	-
Mandatory provident fund contributions	112,647	45,660
Marketing expenses	109,816	-
Meeting expenses	22,854	13,553
Office supplies	25,043	7,493
Online payment system charges	7,117	-
Postage, printing and copying	18,545	14,462
Research cost	15,256	257,883
Service fee	42,000	172,286
Speaker fee	-	7,900
Staff costs	2,404,693	1,017,290
Staff training	890	2,984
Telephone	-	1,000
Transportation	17,208	25,719
Venue cost	159,193	22,000
Website, mobile app development and IT support fees	261,162	32,051
	<u>3,397,384</u>	<u>2,133,793</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

4 STAFF COSTS

The company has employee benefit expense included in various expenditure. Details are as follows:

	2019	2018
	HK\$	HK\$
Staff salaries	207,427	88,919
Mandatory provident fund contributions	6,595	4,135
Project expenses	<u>2,517,340</u>	<u>1,062,950</u>
	<u><u>2,731,362</u></u>	<u><u>1,156,004</u></u>

Analysis of the total employee benefit expense is as follows:

	2019	2018
	HK\$	HK\$
Staff salaries	2,612,120	1,106,209
Mandatory provident fund contributions	<u>119,242</u>	<u>49,795</u>
	<u><u>2,731,362</u></u>	<u><u>1,156,004</u></u>

5 DIRECTORS' REMUNERATION (EQUIVALENT TO KEY MANAGEMENT PERSONNEL COMPENSATION)

During the years ended 31 December 2019 and 31 December 2018, 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.

6 TAXATION

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

7 RELATED PARTY TRANSACTIONS

The company paid service fee of HK\$42,000 (2018: HK\$172,286) to Gidumal & Sons Limited for sharing of staff during the year. Ravi Gidumal, director of the company, is also a director of Gidumal & Sons Limited.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

8 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation of the financial statements.

9 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Foundation's Board of Directors on **15 JUL 2020**