

**THE ZUBIN MAHTANI GIDUMAL FOUADATION LIMITED**  
**FINANCIAL STATEMENT AS OF DECEMBER 31, 2020**  
**TOGETHER WITH DIRECTORS' AND AUDITOR'S REPORT**

**RICHARD ALBUQUERQUE & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

# The Zubin Mahtani Gidumal Foundation Limited

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# The Zubin Mahtani Gidumal Foundation Limited

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## Corporate data

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**Directors**

Ravi Mohandas Gidumal  
Kishore Kundanmal Sakhrani  
Catherine Ann Husted  
Donald William Gerard Taylor

**Secretary**

RJA Management Limited

**Registered office**

Unit F, 5/F, High Fashion Centre,  
1 - 11 Kwai Hei Street, Kwai Chung,  
N.T., Hong Kong

**Auditor**

Richard Albuquerque & Co.  
Certified Public Accountants  
Rooms A & B, 2/F., Lee Kee Commercial Building  
221-227 Queen's Road Central  
Hong Kong

# The Zubin Mahtani Gidumal Foundation Limited

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## Report of the directors

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The directors present to the members their annual report and the audited financial statements for the year ended December 31, 2020.

### **Directors**

The names of person who were the directors of the Foundation during the year and ending on the date of this report are as set out as follows:

Ravi Mohandas Gidumal  
Kishore Kundanmal Sakhrani  
Catherine Ann Husted  
Guneet Banga (Resigned on October 30, 2020)  
Donald William Gerard Taylor (Appointed on November 2, 2020)

### **Principal activities**

The Foundation is a charity and think tank committed to poverty alleviation and social inclusion of Hong Kong's ethnic minorities.

### **Permitted indemnity provision**

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 contract**

The Foundation did not enter into any contract, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Foundation.

### **Business review**

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

### **Directors' interests in contract**

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.

### **Approval of directors' report**

This report was approved by the directors on 10 JUN 2021

On behalf of the Board

Ravi Mohandas Gidumal  
Director

# Richard Albuquerque & Co.

CERTIFIED PUBLIC ACCOUNTANTS

Room A & B, 2nd Floor, Lee Kee Commercial Building,  
221-227 Queen's Road Central, Hong Kong  
Tel : (852) 2544 4068  
Fax : (852) 2544 5568

## **Independent auditor's report to the members of The Zubin Mahtani Gidumal Foundation Limited** (Incorporated in Hong Kong with limited liability by guarantee and not having a share capital)

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### ***Opinion***

We have audited the financial statements of The Zubin Mahtani Gidumal Foundation Limited (the Foundation) set out on pages 6 to 15, which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of funds & reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards 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 Matter***

The financial statements of the Foundation for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on July 15, 2020.

### ***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.

## **Independent auditor's report to the members of The Zubin Mahtani Gidumal Foundation Limited (*continued*) (Incorporated in Hong Kong with limited liability by guarantee and not having a share capital)**

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### ***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 HKFRSs 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.

### ***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. 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 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 directors.

## Independent auditor's report to the members of The Zubin Mahtani Gidumal Foundation Limited (continued) (Incorporated in Hong Kong with limited liability by guarantee and not having a share capital)

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

- 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.



Richard Albuquerque & Co.  
Certified Public Accountants  
Rooms A & B, 2/F., Lee Kee Commercial Building  
221-227 Queen's Road Central  
Hong Kong

Hong Kong: 10 JUN 2021

# The Zubin Mahtani Gidumal Foundation Limited

## Statement of comprehensive income

For the year ended December 31, 2020

	Note	2020 HK\$	2019 HK\$
<b>Revenue</b>			
Restricted donations	5	3,719,610	2,956,768
Restricted donation from The Hong Kong Jockey Club Charities Trust	5, 6	1,182,234	-
Unrestricted donations	5	807,595	1,104,679
Event income	5	-	15,112
		<u>5,709,439</u>	<u>4,076,559</u>
<b>Other revenue</b>			
Other income	5	3,117	3,617
Sundry income	5	503,281	-
		<u>506,398</u>	<u>3,617</u>
<b>Total revenue</b>		<u>6,215,837</u>	<u>4,080,176</u>
<b>General and administrative expenses</b>			
Auditor's remuneration		-	19,000
Bank charges and other administration fees		24,398	1,090
Company secretarial fees		6,205	6,005
Computer accessories		-	4,937
Government registration fee		2,330	-
Insurance		31,023	22,873
MPF Contribution		9,463	6,595
Meeting expenses		431	3,793
Office supplies		164	4,819
Office Management Fee		9,430	-
Courier and Postage		143	-
Project expenses	7	5,385,115	3,397,384
Rental Expenses		97,450	14,400
Staff costs		200,656	207,427
Staff training		4,731	12,918
Subscriptions		-	6,080
Sundry expense		2,658	-
Telephone		441	1,351
Transportation		171	2,110
Website and IT support fees		70	2,206
		<u>5,774,879</u>	<u>3,712,988</u>
<b>Surplus for the year</b>		<u>440,958</u>	<u>367,188</u>

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



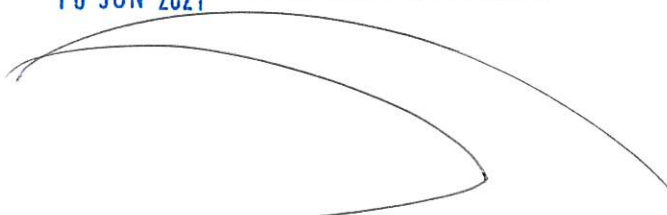
# The Zubin Mahtani Gidumal Foundation Limited

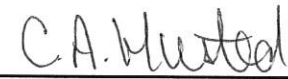
## Statement of financial position

As at December 31, 2020

<b>Assets</b>	<b>Note</b>	<b>2020</b> HK\$	<b>2019</b> HK\$
<i>Current assets</i>			
Deposits and prepayments		120,720	3,000
Cash at bank	10	<u>6,773,874</u>	<u>3,921,777</u>
<b>Total assets</b>		<b><u>6,894,594</u></b>	<b><u>3,924,777</u></b>
<b>Reserves and liabilities</b>			
<i>Trust fund and Reserve</i>			
General fund		<u>1,609,967</u>	<u>1,169,009</u>
		<u>1,609,967</u>	<u>1,169,009</u>
<i>Current liabilities</i>			
Accrued expenses		132,729	132,750
Deferred income	11	<u>5,151,898</u>	<u>2,623,018</u>
		<u>5,284,627</u>	<u>2,755,768</u>
<b>Total reserves and liabilities</b>		<b><u>6,894,594</u></b>	<b><u>3,924,777</u></b>

The financial statements on pages 6 to 15 were approved and authorized for issue by the board of directors on **10 JUN 2021** and are signed on its behalf by:

  
\_\_\_\_\_  
Ravi Mohandas Gidumal  
Director

  
\_\_\_\_\_  
Catherine Ann Husted  
Director

*The annexed notes form an integral part of these financial statements.*

# The Zubin Mahtani Gidumal Foundation Limited

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## Statement of changes in funds and reserves

For the year ended December 31, 2020

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	<u>General</u> <u>Fund</u> HK\$
Balance as at January 1, 2019	801,821
Surplus for the year	<u>367,188</u>
Closing balance as at December 31, 2019	1,169,009
Surplus for the year	<u>440,958</u>
Closing balance as at December 31, 2020	<u><u>1,609,967</u></u>

*The annexed notes form an integral part of these financial statements.*

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# The Zubin Mahtani Gidumal Foundation Limited

## Statement of cash flows

For the year ended December 31, 2020

	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>Operating activities</b>		
<b>Surplus for the year</b>	440,958	367,188
Decrease in account receivables	-	63,486
Decrease in other receivables	-	19,130
Increase in deposits and prepayments	(117,720)	-
(Decrease)/ increase in accrued expenses	(21)	105,819
Decrease in other payables	-	(10,210)
Increase in deferred income	2,528,880	831,573
<b>Net cash generated from operating activities</b>	2,852,097	1,376,986
<b>Net increase in cash and cash equivalents</b>	2,852,097	1,376,986
<b>Cash and cash equivalents at beginning of the year</b>	3,921,777	2,544,791
<b>Cash and cash equivalents at end of the year</b>	6,773,874	3,921,777
<b>Analysis of cash and cash equivalents</b>		
Cash at bank	6,773,874	3,921,777

*The annexed notes form an integral part of these financial statements.*

# The Zubin Mahtani Gidumal Foundation Limited

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## Notes to the financial statements

For the year ended December 31, 2020

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### 1) *General*

The Zubin Mahtani Gidumal Foundation Limited is a company limited by guarantee incorporated in Hong Kong. The registered office is disclosed in the "Corporate data" section to this report. 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) *Basis of preparation*

#### a) *Statement of compliance*

These financial statements comply with all applicable sections of HKFRS for Private Entities and have been prepared under the accrual basis of accounting and on the basis that the Foundation is a going concern.

#### b) *Basis of measurement*

The measurement bases used in preparing these financial statements are set out in note 3 to financial statements.

#### c) *Critical accounting judgments and estimation uncertainty*

There are no critical accounting judgments and estimation uncertainty in the preparation of the financial statements.

### 3) *Principal accounting policies*

The financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and under the historical cost convention and the requirements of the Hong Kong Companies Ordinance.

#### a) *Revenue recognition*

Revenue is recognized when the amount can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Foundation.

- Donation received is recognized upon receipt.
- Project donation earmarked for specific purposes restricted donations are initially recognized as deferred income. Where there is reasonable assurance that the Foundation will comply with the conditions attached to the projects and the project income will be received, they are recognized in the statement of income and general fund over the period necessary to match with the related costs which they are intended to compensate.
- Event income is recognized when the activity is held.

#### b) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

# The Zubin Mahtani Gidumal Foundation Limited

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## Notes to the financial statements (continued)

For the year ended December 31, 2020

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### 3) *Principal accounting policies (continued)*

#### c) *Trade and other receivable*

Trade and other receivable are stated at estimated realisable value after each debt has been considered individually. Where the payment of debt becomes doubtful a provision is made and charged to the statement

#### d) *Trade and other payables*

Trade and other payables are initially recognised at nominal value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### e) *Provisions and contingent liabilities*

Provisions are recognized for liabilities of uncertain timing or amount when there is 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.

#### f) *Impairment of assets*

Internal and external sources of information are reviewed at each statement of financial position date to identify indications that the tangible assets may be impaired or an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

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

#### g) *Employee benefit obligations*

Salaries, annual bonuses, 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.

# The Zubin Mahtani Gidumal Foundation Limited

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## Notes to the financial statements (continued)

For the year ended December 31, 2020

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### 3) *Principal accounting policies (continued)*

#### *h) Related parties*

For the purpose of these financial statements, related party includes a person and entity as defined below:

- I) A person or a close member of that person's family is related to the Company if that person:
  - i) is a member of the key management personnel of the Company or of a parent of the Company;
  - ii) has control over the Company; or
  - iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- II) An entity is related to the Company if any of the following conditions applies:
  - i) the entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii) either entity is an associate or joint venture of the other entity (or of a member of a Company of which the other entity is a member).
  - iii) both entities are joint ventures of a third entity.
  - iv) either 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 the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
  - vi) the entity is controlled or jointly controlled by a person identified in (I).
  - vii) a person identified in (I)(i) has significant voting power in the entity.

# The Zubin Mahtani Gidumal Foundation Limited

## Notes to the financial statements (continued)

For the year ended December 31, 2020

### 5) Revenue and other revenue

Revenue mainly represents restricted donations and unrestricted donations received during the year.

Restricted donations also known as project donations, are received from donors and can only be used for specific projects or purposes.

Unrestricted donations are donations that are not for designated projects and can be used by the Foundation for any purpose in line with the Foundation's mission.

An analysis of revenue and other revenue is as follows:-

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Revenue			
Restricted donations		3,719,610	2,956,768
Restricted donations from The Hong Kong Jockey Club Charities Trust	6	1,182,234	-
Unrestricted donations		807,595	1,104,679
Event income		-	15,112
		<u>5,709,439</u>	<u>4,076,559</u>
Other revenue			
Other income		3,117	3,617
Government grants (ESS)		503,281	-
		<u>506,398</u>	<u>3,617</u>
Total revenue		<u>6,215,837</u>	<u>4,080,176</u>

### 6) Restricted donations from The Hong Kong Jockey Club Charities Trust

Restricted donations received from The Hong Kong Jockey Club Charities Trust are for two specific projects. The objectives of projects are supplying face masks to the ethnic minority community at the onset of COVID-19 virus, and developing an online training portal for upskilling ethnic minorities in need of employment. The project under COVID-19 Emergency Fund was completed in 2020. The project under the Jockey Club Community Sustainability Fund will end in June 2021.

# The Zubin Mahtani Gidumal Foundation Limited

## Notes to the financial statements (continued)

For the year ended December 31, 2020

### 7) Project expenses

Project expenses are all costs attributed to projects. This amount represents 93.3% of the Foundation's total expenses (2019: 91.5%)

	<u>2020</u> HK\$	<u>2019</u> HK\$
Advertising	-	11,763
Auditor's remuneration	21,000	11,000
Bank charges and other administration fees	2,192	2,190
Computer accessories	76,863	46,090
Consulting fee	51,565	26,400
Event expenses	22,560	83,405
Food and beverage for service users	319,937	-
Insurance	9,012	20,112
MPF contribution	123,201	112,647
Marketing expenses	183,368	109,816
Meeting expenses	640	22,854
Messing and allowances	19,883	-
Office supplies	60,979	25,043
Office renovation work	172,612	-
Online payment system charges	-	7,117
Personal hygiene products for service users	283,841	-
Postage, printing and copying	13,126	18,545
Research cost	-	15,256
Scholarship fee	201,400	-
Service fee	-	42,000
Staff costs	3,104,075	2,404,693
Staff training	1,400	890
Sundry expenses	500	-
Telephone	3,388	-
Translation & editing fee	9,000	-
Transportation	18,562	17,208
Venue cost	-	159,193
Video production	368,100	-
Website and IT support fees	317,911	261,162
	<u>5,385,115</u>	<u>3,397,384</u>



# The Zubin Mahtani Gidumal Foundation Limited

## Notes to the financial statements (continued)

For the year ended December 31, 2020

### 8) Directors' remuneration

No directors' remuneration have been paid for the year disclosed pursuant to section 383(1) to the Hong Kong Companies Ordinance (2019: Nil).

### 9) Income tax expense

The Foundation is exempt from tax under Section 88 of Inland Revenue Ordinance.

### 10) Cash at bank

Cash at bank included cash received for restricted and unrestricted purposes. Cash for restricted use can only be used for specific projects agreed by donors. Most of the cash has been received in advance and will be utilised over the period of specific projects.

Cash for unrestricted use can be used by the Foundation in line with its mission, including administrative purposes.

An analysis of cash at bank balance is as follows:-

	<u>2020</u> HK\$	<u>2019</u> HK\$
Restricted use	5,151,898	2,623,018
Unrestricted use	1,621,976	1,298,759
	<u>6,773,874</u>	<u>3,921,777</u>

### 11) Deferred income

Deferred income represents the donation income received for specific projects which were supposed to take place during the year. These projects were unable to take place due to COVID-19. As the fundings are restricted for specific use, it will be carried forward until these projects can take place. Deferred income also represents funding received for projects that will start in or continue into next year.

### 12) Operating lease commitment

At the end of reporting period, the Foundation had the following total future minimum lease payments under non-cancellable operating lease:-

	<u>2020</u> HK\$	<u>2019</u> HK\$
Within one year	240,000	-
Later than one year and no later than two years	460,000	-
	<u>700,000</u>	<u>-</u>

### 13) Related party transactions

<u>Name of related parties</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Gidumal & Sons Limited	Common director	Service fee	-	42,000

Ravi Mohandas Gidumal, a director of the Foundation, is also a director of Gidumal & Sons Limited.