

THE ZUBIN MAHTANI GIDUMAL FOUADATION LIMITED
FINANCIAL STATEMENT AS OF DECEMBER 31, 2021
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

Corporate data

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

Report of the directors

The directors present to the members their annual report and the audited financial statements for the year ended December 31, 2021.

Directors

The names of persons 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
Donald William Gerard Taylor

Principal activities

The Foundation is a Hong Kong 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 them in defending any action in which judgment is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to them 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 them in the proper execution and discharge of their 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.

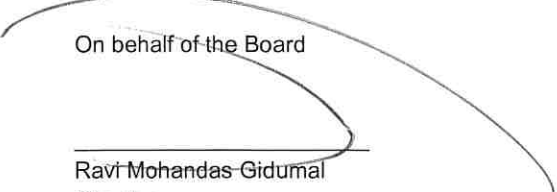
Directors' interests in contracts

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.

Approval of directors' report

This report was approved by the directors on - 1 JUN 2022 .

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
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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)

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, 2021, 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, 2021, 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 (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.

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)

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: - 1 JUN 2022

The Zubin Mahtani Gidumal Foundation Limited

Statement of comprehensive income

For the year ended December 31, 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
Revenue	4	11,739,924	5,709,439
Other revenue	4	166	506,398
Project expenses	5	(8,143,056)	(5,385,115)
General and administrative expenses	6	<u>(943,688)</u>	<u>(389,764)</u>
Surplus before taxation		2,653,346	440,958
Income tax expense	7	<u>-</u>	<u>-</u>
Surplus for the year		<u>2,653,346</u>	<u>440,958</u>

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


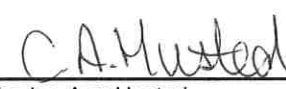
The Zubin Mahtani Gidumal Foundation Limited

Statement of financial position

As at December 31, 2021

Assets	Note	2021 HK\$	2020 HK\$
<i>Current assets</i>			
Deposits and prepayments		162,008	120,720
Account receivables		193,929	-
Cash at bank	9	<u>10,412,854</u>	<u>6,773,874</u>
Total assets		<u>10,768,791</u>	<u>6,894,594</u>
Reserves and liabilities			
<i>Trust fund and Reserve</i>			
General fund		<u>4,263,313</u>	<u>1,609,967</u>
		<u>4,263,313</u>	<u>1,609,967</u>
<i>Current liabilities</i>			
Accrued expenses		265,082	132,729
Deferred income	10	<u>6,240,396</u>	<u>5,151,898</u>
		<u>6,505,478</u>	<u>5,284,627</u>
Total reserves and liabilities		<u>10,768,791</u>	<u>6,894,594</u>

The financial statements on pages 6 to 15 were approved and authorized for issue by the board of directors on
- 1 JUN 2022 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

Statement of changes in funds and reserves

For the year ended December 31, 2021

	<u>General Fund</u> HK\$
Balance as at January 1, 2020	1,169,009
Surplus for the year	<u>440,958</u>
Closing balance as at December 31, 2020	1,609,967
Surplus for the year	<u>2,653,346</u>
Closing balance as at December 31, 2021	<u><u>4,263,313</u></u>

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

The Zubin Mahtani Gidumal Foundation Limited

Statement of cash flows

For the year ended December 31, 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
Operating activities		
Surplus for the year	2,653,346	440,958
Increase in account receivables	(193,929)	-
Increase in deposits and prepayments	(41,288)	(117,720)
Increase/ (decrease) in accrued expenses	132,353	(21)
Increase in deferred income	1,088,498	2,528,880
Net cash generated from operating activities	3,638,980	2,852,097
Investing activities	-	-
Net cash generated from investing activities	-	-
Financing activities	-	-
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	3,638,980	2,852,097
Cash and cash equivalents at beginning of the year	6,773,874	3,921,777
Cash and cash equivalents at end of the year	10,412,854	6,773,874
Analysis of cash and cash equivalents		
Cash at bank	10,412,854	6,773,874

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

The Zubin Mahtani Gidumal Foundation Limited

Notes to the financial statements

For the year ended December 31, 2021

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 Hong Kong 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.
- Donations received for specified or restricted projects are recorded as restricted donations and are recognised as income either in the current year or in future years. For projects where the work will not commence or be completed in the current financial year, they are initially recorded as deferred income and brought into income as the work is done.
- 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

Notes to the financial statements (continued)

For the year ended December 31, 2021

3) *Principal accounting policies (continued)*

c) *Trade and other receivables*

Trade and other receivables 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 of comprehensive income.

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

Notes to the financial statements (continued)

For the year ended December 31, 2021

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, 2021

4) Revenue and other revenue

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>2021</u>	<u>2020</u>
	2021	2020
Revenue		
Restricted donations	8,468,072	3,719,610
Restricted donations from The Hong Kong Jockey Club Charities Trust	1,417,710	1,182,234
Unrestricted donations	1,604,142	807,595
Operational donation from D.H.Chen Foundation	250,000	-
	<u>11,739,924</u>	<u>5,709,439</u>
Other revenue		
Other income	166	3,117
Government grants (ESS)	-	503,281
	<u>166</u>	<u>506,398</u>
Total revenue	<u>11,740,090</u>	<u>6,215,837</u>

The Zubin Mahtani Gidumal Foundation Limited

Notes to the financial statements (continued)

For the year ended December 31, 2021

5) Project expenses

Project expenses are all costs attributed to projects. This amount represents 89.6% of the Foundation's total expenses (2020: 93.3%)

	<u>2021</u> HK\$	<u>2020</u> HK\$
Auditor's remuneration	6,500	21,000
Bank charges and other administration fees	16,768	2,192
Cleaning charges	12,637	
Computer accessories	189,233	76,863
Consulting fee	130,040	51,565
Emergency Homecoming Allowance	149,989	-
Electricity Fee	6,524	-
Event expenses	377,878	22,560
Food and beverage for service users	448,530	319,937
Insurance	11,150	9,012
MPF contribution	199,857	123,201
Marketing expenses	221,418	183,368
Meeting expenses	334	640
Messing and allowances	119,215	19,883
Office supplies	27,373	60,979
Office renovation work	43,968	172,612
Personal hygiene products for service users	86,654	283,841
Postage, printing and copying	27,916	13,126
Scholarship fee	623,550	201,400
Staff costs	4,638,825	3,104,075
Staff training	53,685	1,400
Sundry expenses	1,623	500
Supervision and counselling fee	50,600	-
Telephone	6,802	3,388
Translation & editing fee	-	9,000
Transportation	47,659	18,562
Venue cost	49,555	-
Video production	465,000	368,100
Website and IT support fees	129,773	317,911
	<u>8,143,056</u>	<u>5,385,115</u>

The Zubin Mahtani Gidumal Foundation Limited

Notes to the financial statements (continued)

For the year ended December 31, 2021

6) *General and administrative expenses*

General and administrative expenses are those expenses that are not attributable to any specific project. This amount represents 10.4% of the Foundation's total expenses. (2020: 6.7%)

	<u>2021</u> HK\$	<u>2020</u> HK\$
Bank charges and other administration fees	10,448	24,398
Company secretarial fees	4,620	6,205
Computer accessories	14,040	-
Courier and Postage	321	143
Electricity Fee	1,840	-
Government registration fee	2,932	2,330
Insurance	55,229	31,023
MPF Contribution	13,718	9,463
Meeting expenses	-	431
Messing and allowances	5,233	-
Office supplies	2,601	164
Office Management Fee	113,160	9,430
Rental Expenses	320,527	97,450
Staff costs	328,138	200,656
Staff training	48,518	4,731
Subscriptions	8,250	-
Sundry expense	5,722	2,658
Telephone	5,261	441
Transportation	80	171
Website and IT support fees	3,050	70
	<u>943,688</u>	<u>389,764</u>

The Zubin Mahtani Gidumal Foundation Limited

Notes to the financial statements (continued)

For the year ended December 31, 2021

7) *Income tax expense*

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

8) *Directors' remuneration*

No directors' remuneration have been paid for the year disclosed pursuant to section 383(1) to the Hong Kong Companies Ordinance (2020: Nil).

9) *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>2021</u> HK\$	<u>2020</u> HK\$
Restricted use	6,240,396	5,151,898
Unrestricted use	4,172,458	1,621,976
	<u>10,412,854</u>	<u>6,773,874</u>

10) *Deferred income*

Deferred Income represents donations received for specified or restricted projects where the work will either not commence or not be completed in the current financial year. Income will be recognised either on a percentage completion basis or according to the terms of any agreement with the specific donor.

11) *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>2021</u> HK\$	<u>2020</u> HK\$
Within one year	240,000	240,000
Later than one year and no later than two years	220,000	460,000
	<u>460,000</u>	<u>700,000</u>