

BENEVOLENT TAI SIN FOUNDATION LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2021

**W. M. SUM & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
HONG KONG



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BENEVOLENT TAI SIN FOUNDATION LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2021.

Principal place of operation

Benevolent Tai Sin Foundation Limited (the "Foundation") is a company incorporated in Hong Kong with liability limited by guarantee and has its registered office and principal place of operation at Flat A-401, 4/F., Villa Verde, 18 Guildford Road, The Peak, Hong Kong.

Principal activities

The principal activities of the Foundation are those of a charitable institution.

Incorporation

The Foundation was incorporated in Hong Kong with liability limited by guarantee and not having a share capital under the Hong Kong Companies Ordinance.

Financial statements

The financial position of the Foundation for the year ended 31 March 2021 and the state of affairs of the Foundation at that date are set out in the financial statements on pages 5 to 11.

Directors

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

Yip Ying Chee John  
Poon Kam Ying

In accordance with article 28 of the Foundation's articles of association, all the directors shall continue to remain in office.

Permitted indemnity provision (as defined in Section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Foundation is currently in force and was in force throughout this year.

Business review

No business review report has been prepared as the Foundation falls within the reporting exemption for the financial year and is accordingly exempt from preparing such a report under Section 388(3) of the Hong Kong Companies Ordinance.

Auditor

W. M. Sum & Co. retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of W. M. Sum & Co. as auditor of the Foundation is to be proposed at the forthcoming annual general meeting.

By order of the board

For and on behalf of  
WIDEWAY CONSULTANTS LIMITED  
廣威顧問有限公司



.....  
Authorized Signature(s)

Secretary

Hong Kong, 30 November 2021

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**W. M. Sum & Co**  
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岑偉文會計師事務所

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BENEVOLENT TAI SIN FOUNDATION LIMITED  
(Incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of Benevolent Tai Sin Foundation Limited (the "Foundation") set out on pages 5 to 11, which comprise the statement of financial position as at 31 March 2021, and the income statement and statement of changes in general funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Foundation are prepared, in all material respects, in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") 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") and with reference to Practice Note 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* 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 directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include in the information contained in 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BENEVOLENT TAI SIN FOUNDATION LIMITED  
(Incorporated in Hong Kong with liability limited by guarantee)

(Continued)

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS 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.

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, 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 judgement 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.

# W. M. Sum & Co

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### BENEVOLENT TAI SIN FOUNDATION LIMITED (Incorporated in Hong Kong with liability limited by guarantee)

(Continued)

#### Auditor's responsibilities for the audit of the financial statements (continued)

- 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.

We communicate with the directors 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.



W. M. Sum & Co.  
Certified Public Accountants

Hong Kong, 30 November 2021

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BENEVOLENT TAI SIN FOUNDATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<u>ASSETS</u>			
<u>Non-current assets</u>			
Long-term investments	3	59,575,478.10	41,975,329.35
<u>Current assets</u>			
Corporate bond		1,562,477.14	1,559,662.50
Bank balances		4,118,970.86	2,597,482.35
Bank deposits		9,282,528.12	12,088,435.71
Securities account balance		20,544.38	439,783.77
		<u>14,984,520.50</u>	<u>16,685,364.33</u>
<u>Current liability</u>			
Amount due to a director	4	(6,146,776.32)	(5,286,776.32)
Net current assets		<u>8,837,744.18</u>	<u>11,398,588.01</u>
Net assets		<u>68,413,222.28</u>	<u>53,373,917.36</u>
Represented by:			
General funds		<u>68,413,222.28</u>	<u>53,373,917.36</u>

The notes on pages 8 to 11 form part of these financial statements.

Approved and authorised for issue by the Board of Directors on 30 November 2021

.....  
Yip Ying Chee John  
Director

.....  
Poon Kam Ying  
Director

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BENEVOLENT TAI SIN FOUNDATION LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
Revenue		
Donation received	7,500,000.00	7,500,000.00
Interest income	850,092.14	611,571.29
Dividends received	2,081,539.12	1,335,343.94
Other income		
Exchange gain (loss)	809,260.45	(762,588.18)
	<u>11,240,891.71</u>	<u>8,684,327.05</u>
Expenses		
Bank charges	(1,897.90)	(950.00)
	<u>11,238,993.81</u>	<u>8,683,377.05</u>
Gain on disposal of long-term investments	292,815.81	-
Provision (for diminution in value) written back	3,507,495.30	(6,587,114.53)
Surplus for the year	<u>15,039,304.92</u>	<u>2,096,262.52</u>

The notes on pages 8 to 11 form part of these financial statements.

BENEVOLENT TAI SIN FOUNDATION LIMITED  
STATEMENT OF CHANGES IN GENERAL FUNDS  
FOR THE YEAR ENDED 31 MARCH 2021

	<u>General funds</u> HK\$
At 1 April 2019	51,277,654.84
Surplus for the year	<u>2,096,262.52</u>
At 31 March 2020	53,373,917.36
Surplus for the year	<u>15,039,304.92</u>
At 31 March 2021	<u><u>68,413,222.28</u></u>

The notes on pages 8 to 11 form part of these financial statements.

BENEVOLENT TAI SIN FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Foundation information

The Foundation is incorporated in Hong Kong with liability limited by guarantee and has its registered office and principal place of operations at Flat A-401, 4/F., Villa Verde, 18 Guildford Road, The Peak, Hong Kong.

The principal activities of the Foundation are those of a charitable institution.

2. Significant accounting policies

Statement of compliance and basis of preparation of the financial statements

The Foundation qualifies for the reporting exemption as a small guarantee company under Section 359(1)(a) of the Hong Kong Companies Ordinance and is entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements have been prepared in accordance with the SME-FRS and the requirements of the Hong Kong Companies Ordinance. They have been prepared under historical cost convention and the accrual basis of accounting and on the basis that the Foundation is a going concern.

Long-term investments

Long-term investments are stated at cost less any impairment loss.

Corporate bonds maturing within one year

Corporate bonds maturing within one year are shown under Current assets and are stated at the lower of cost and net realisable value.

Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment of non-current assets including long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

Payables

Payables are recognised at the amounts payable.

Foreign currencies

Foreign currency transactions during the year are translated at the 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 income statement.

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. 0026

BENEVOLENT TAI SIN FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

Provisions and contingent liabilities (continued)

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.

Revenue recognition

Provided it is probable that the economic benefits will flow to the Foundation and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

Donation, interest income and dividends received are accounted for on a cash receipt basis.

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 of 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 a joint venture of the other entity (or an associate or a 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) above.
- (vii) A person identified in (a)(i) above 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).

Close family members 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.

BENEVOLENT TAI SIN FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Long-term investments

	<u>2021</u> HK\$	<u>2020</u> HK\$
Equity securities		
Listed in Hong Kong, at cost	55,801,639.55	43,657,940.89
Less: Provision for diminution in value	(2,654,264.96)	(6,158,560.85)
	<u>53,147,374.59</u>	<u>37,499,380.04</u>
At cost less provision for diminution in value	----- 53,147,374.59	----- 37,499,380.04
Corporate bonds		
Unlisted, at cost	6,703,171.93	4,777,755.39
Less: Provision for diminution in value	(275,068.42)	(301,806.08)
	<u>6,428,103.51</u>	<u>4,475,949.31</u>
At cost less provision for diminution in value	----- 6,428,103.51	----- 4,475,949.31
At 31 March	<u>59,575,478.10</u>	<u>41,975,329.35</u>

The market values of listed equity securities and corporate bonds as at 31 March 2021 were HK\$56,278,132.46 and HK\$6,430,189.29 (2020: HK\$37,499,380.04 and HK\$4,475,949.31) respectively.

4. Amount due to a director

The amount due to a director is unsecured, interest-free and with no fixed repayment terms.

5. Administrative expenses

The founding members of the Foundation have undertaken to pay all administrative expenses of the Foundation for the year ended 31 March 2021 which amounted to HK\$36,000.00 (2020: HK\$24,105.00) and waived all their rights to demand repayment from the Foundation.

6. Income tax

No provision for Hong Kong profits tax is required as the Foundation is an approved charitable institution and is exempted from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance.

BENEVOLENT TAI SIN FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7. Directors' emoluments

	<u>2021</u> HK\$	<u>2020</u> HK\$
Directors' fees	Nil	Nil
Salaries, allowances, bonuses and benefits in kind	Nil	Nil
Retirement benefits	Nil	Nil

There are no loans, quasi-loans or other dealings in favour of directors and their controlled bodies corporate (2020: none).

8. Material related party transactions

During the year, the Foundation received donation of HK\$7,500,000.00 (2020: HK\$7,500,000.00) from a founding member who is also a director of the Foundation. This director of the Foundation provided an interest-free current account as set out in note 4. The founding members have undertaken to pay all administrative expenses of the Foundation for the year ended 31 March 2021 as set out in note 5. Other than as mentioned above, the Foundation did not enter into any other material related party transactions during the year.