

KESWICK FOUNDATION LIMITED

England & Wales · Charity number 278449

Details

Status Registered

Legal form Charitable company

Company number [01422314](#)

Registered 1979-09-11

Register [View on the Charity Commission register](#)

Contact

Address Matheson & Co Ltd
12 Upper Grosvenor Street
London
W1K 2ND

Phone +852 2579 2978

Email monica.kwong@jardines.com

Website www.keswickfoundation.org.hk

Activities

Objects: TO PROMOTE AND AID ANY CHARITABLE BODY OR BODIES OR ANY CHARITABLE PURPOSE OR PURPOSES, AND IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING);- TO ADVANCE EDUCATION, AND IN PARTICULAR SCIENTIFIC AND TECHNICAL EDUCATION AMONGST PERSONS RESIDENT IN HONG KONG, THE PROVISION OF FINANCIAL ASSISTANCE TO ENABLE SUCH PERSONS TO ATTEND INSTITUTIONS IN THE UNITED KINGDOM AND ELSEWHERE, TO RELIEVE MENTAL ILLNESS.

Activities: To aid those in need in Hong Kong and Mainland China by assisting the charitable organisations to implement services that are new, pilot or filling gaps in the social welfare system.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Disability, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- China
- Hong Kong

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£5,148,741	£3,588,301	£94,256,711	5
2023-12-31	£4,934,012	£3,030,714	£91,920,962	4
2022-12-31	£4,632,502	£3,485,322	£115,768,845	4
2021-12-31	£3,283,990	£2,259,640	£110,202,071	4
2020-12-31	£3,281,026	£2,570,657	£109,884,373	4

Trustees

Name	Role	Appointed
BENJAMIN WILLIAM KESWICK		2013-11-18
CLARE JANE KESWICK		2007-08-01
DEMING CHEN		2008-03-26
FRANCINE WING TING FU KWONG		2014-11-27
LILY CLARE JENCKS		2004-04-26
MARTHA KESWICK		2003-10-06
Michael Yuen-jen YAO		2020-11-01
NEIL MICHAEL MCNAMARA		2019-01-01
PROFESSOR WOON KI ANGELINA YUEN-TSANG		1999-06-24
Qiaobing Wu		2025-07-24
Ruby Susanna Weatherall		2025-10-15
SHARMINI PRIYA CHETWODE		2024-06-14
STACEY ANNE HILDEBRANDT		1997-03-17
STEPHEN CHARLES LI		2017-01-01
WAI CHI CHOW		2022-11-01

KESWICK FOUNDATION LIMITED

England & Wales - Charity number 278449

Accounts

KESWICK FOUNDATION LIMITED
(Registered company number 1422314)
(Registered charity number 278449)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2024

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS

Keswick Foundation Limited was incorporated on 23 May 1979 as a charitable private company limited by shares in England. The Articles of Association of the Company was adopted pursuant to a special resolution of the members of the Company on 24 November 2020. The Directors together with the Executive Committee members who served during 2024 and up to the date of signing the financial statements are listed below. The Articles of Association of the Company allows for a board of not less than two Directors.

Co-founders:

Sir John Keswick
Mrs. Maggie Keswick Jencks

Directors:

Clara Mary WEATHERALL, Chairman
Deming CHEN
Wai Chi CHOW
Francine Wing Ting FU KWONG
Kathryn Mary GREENBERG (resigned on 13 March 2025)
Stacey Anne HILDEBRANDT
Ivor Cosimo JENCKS (resigned on 13 January 2025)
Lily Clare JENCKS
Benjamin William KESWICK
Clare Jane KESWICK
Martha KESWICK
Christophe Kin Ping LEE (resigned on 13 March 2025)
Stephen Charles LI
Neil Michael MCNAMARA
Angelina Woon Ki YUEN TSANG
Michael Yuen-jen YAO
Sharmini Priya CHETWODE (appointed on 13 June 2024)
Qiaobing WU (appointed on 24 July 2025)

Executive Committee:

Angelina Woon Ki YUEN TSANG, Chairman
Martha KESWICK
Deming CHEN
Wai Chi CHOW
Francine Wing Ting FU KWONG
Kathryn Mary GREENBERG (resigned on 13 March 2025)
Stacey Anne HILDEBRANDT
Ivor Cosimo JENCKS (resigned on 13 January 2025)
Christophe Kin Ping LEE (resigned on 13 March 2025)
Stephen Charles LI
Neil Michael MCNAMARA
Michael Yuen-jen YAO
Sharmini Priya CHETWODE (appointed on 13 June 2024)
Qiaobing WU (appointed on 24 July 2025)

Company Secretary:

Jonathan Lloyd

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS (CONTINUED)

Principal place of business:	25th Floor, Devon House Taikoo Place 979 King's Road, Quarry Bay Hong Kong
Independent auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH United Kingdom
Bankers:	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong BNP Paribas Hong Kong Branch 63/F, Two Int'l Finance Centre 8 Finance Street Central Hong Kong
Registered office:	12 Upper Grosvenor Street London W1K 2ND United Kingdom

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT

The Directors of the Company, who are also the trustees for the purpose of UK Charity Law, submit their annual report and the Company's audited financial statements for the financial year ended 31 December 2024.

The annual report and financial statements for the year ended 31 December 2024 have been prepared on a going concern basis, under the historical cost convention as modified by revaluation of investments, in compliance with the Companies Act 2006, the Charities Act 2011, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Statement of Recommended Practice 'Accounting and Reporting by Charities FRS 102' as revised in 2019 ("the SORP 2019"). The principal accounting policies, which have been applied consistently throughout the year, including changes arising on the adoption of Charities SORP. As the Company is a small company (as defined in section 382 of the Companies Act 2006), the Company applies the exemption not to prepare a strategic report.

Organisational Structure

The Board of Directors oversees the management, policy and planning of the Company. The projects and their funding have to be reviewed and approved by the Executive Committee to ensure proper allocation of resources. Max Wong, the Executive Director, who is an employee of the Company, provides supporting services to the administration office of the Company and funding projects.

The Company is registered as a charity (registered number: 278449) under the Charities Act 2011. The objects of the Company are to help to support those in need in Hong Kong and mainland China by assisting pilot projects relating to human welfare.

Objectives and Activities for the Public Benefit

When reviewing the Company's activities, the Directors have taken into consideration of the Charity Commission's guidance on public benefit disclosure and believe the activities of the Company inherently meet the requirements given the nature of grants awarded to other charitable organisations.

The Company's mission is to support, nurture and promote charitable bodies that address social needs in Hong Kong and mainland China. The Company funds pilot projects/new services and long-term strategic initiatives. The projects that fill service gaps and address specific social needs would also be considered. The Company funding may cover recurrent, programme, or exceptionally, capital costs.

The nature of services to be focused on by the Company includes elderly, youth/children, family and disability.

Grant Making Policy

The Executive Committee is responsible for approving the funding applications and will look at new funding applications throughout the year. All new applications will be firstly screened through vetting meetings formed by at least 3 Executive Committee Members. The objectives of the vetting meeting are (a) to turn down irrelevant applications; (b) to approve certain straight forward applications, each project under HK\$500,000 per year; and (c) to make recommendations for further consideration by the Executive Committee of projects determined to be worthwhile. Those shortlisted proposals will be submitted to the Executive Committee for consideration and approval.

Achievements and Performance

In 2024, the Company donated a total of HK\$29.6 million (2023: HK\$24.6 million) for 40 charity projects (2023: 33 charity projects) in Hong Kong and mainland China.

The projects covered a wide range of services, such as support for disadvantaged youth and families as well as capacity building for professionals in mainland China. Here are some of the highlights:

- HK\$4,164,294 has been committed to Project Hope Net, which provides support to elderly arrestees and their family carers throughout prosecution proceedings. The initiative will expand from one police region to cover all of Hong Kong.
- HK\$499,880 has been committed to the Hong Kong Neuro-muscular Disease Association for "Unseen but Not Forgotten: Support for Motor Neurone Disease (MND) Patients". This project will enhance MND public awareness and improve patient access to support services, representing the Keswick Foundation's inaugural support for this community.
- CNY2,998,435 has been committed to advance paediatric palliative care in Hunan province, China from 2025 onwards. The funding will develop standardised care processes, expand service coverage, and provide professional training to deliver comprehensive medical, psychological, social, and spiritual support to critically ill children and their families.

In 2025, the Company will continue supporting pilot projects that address service gaps and facilitating long-term and impactful service development, particularly for small organisations.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Financial Position

The Company had a net unrestricted surplus for the year of HK\$14,125,663 (2023: HK\$18,856,381). After taking into consideration of net loss of revaluation of investments of HK\$10,075,206 (2023: HK\$191,677,599), the Company had a net surplus for the year of HK\$4,050,457 (2023: net deficit of HK\$172,821,218).

Investment income from dividends for 2024 amounted to HK\$44,987,077 (2023: HK\$44,134,139). During the year, the Company made grants of HK\$29,577,217 (2023: HK\$24,647,523).

Under the Company's Memorandum of Association, the income and property of the Company shall be applied solely towards the promotion of its objects and no portion shall be paid or transferred, directly or indirectly by way of dividend, bonus or profit to members of the Company. Furthermore, no member of the board shall be paid salary or fees or receive any remuneration or other benefit in money or money's worth from the Company except for the reasonable payment of expenses.

Investment Policy and Performance against the Policy

In furtherance of the objects, the Company may invest the monies of the Company not immediately required in or on such investments, securities or property as may be thought fit, provided such consent and conditions as required by laws have been obtained and fulfilled.

The Directors determine the acquisitions and disposals of investments in order to maintain the income required for the charitable projects. In accordance with the instructions of the founders, the shares in Jardine Matheson Holdings Limited ("JM"), which are held within the Endowment Fund, are the only investments held by the Company in that Fund. Such investments are to be kept intact and only the income from these investments will be used by the Company to distribute to charities and other organisations of its choice. For investments held in unrestricted funds, dividends and sales proceeds received from the shares continue to provide the income to enable the Company to carry out its charitable activities. The Directors periodically review the performance of the portfolio to ensure that it continues to provide the most appropriate investment for the Company's requirements.

Risks faced by the Charity

The Directors are responsible for the identification and management of risks, and have taken steps to ensure that controls are in place to mitigate them. There is market price risk in association with the investment held by the Company. However, the Directors consider the investment to be low risk and highly regarded when compared with benchmark investment indices. Review of the risks is conducted regularly to monitor the controls in place and the performance of JM shares is reviewed annually by the Directors. The Company is also exposed to liquidity risk in respect of the payments of committed projects, but it manages its liquidity requirements through maintaining sufficient cash and disposal of unrestricted investments when additional cash is required.

Reserves

Most of the Company's funds are held either as a permanent endowment or as funds designated for specific purposes. The Company's policy is to maintain a minimum level of non-designated unrestricted funds equal to six months' general expenditure. At the year-end, unrestricted funds which have not been designated amounted to HK\$90,929,192 (2023: HK\$63,520,279). The large amount of non-designated unrestricted funds was discussed and allocated for special projects that would better serve society. The reserves policy is reviewed regularly by the Directors.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' Appointments

The first Directors were appointed by the subscribers.

The Company may, by ordinary resolution, appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director. The Directors may also appoint a person who is willing to act as an additional Director.

On appointment, the chairman of the Executive Committee will have a briefing session with the new Director on board to explain his/her roles and responsibilities.

The current Directors, and those who served during the year, are listed on page 1.

Statement of Directors' Responsibilities

The Directors of Keswick Foundation Limited for the purposes of company law are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' report is approved, that:

- (a) so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The members amended the Articles of Association on 16 April 2020 inter alia, dispensing with the requirement of holding Annual General Meetings and approved that the auditors of the Company will automatically be deemed re-appointed unless sufficient members have given notice to the Company under section 488 of the Companies Act.

On behalf of the Board



Angelina Woon Ki YUEN TSANG
Director

HONG KONG, 17 September 2025

Independent auditors' report to the members of Keswick Foundation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Keswick Foundation Limited's charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2024; the Statement of Financial Activities; the Summary Income and Expenditure Account and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' Report for the period ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to misappropriation of assets. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, specifically journal entries posted with unusual account combinations to cash accounts;
- obtaining confirmation of cash balances as at 31 December 2024;
- obtaining an understanding of the controls in place around cash management;
- enquiring of management and the Directors of any instances of known or suspected non-compliance with laws and regulations and fraud;
- reading minutes of the meetings of the board of Directors;
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations; and
- incorporated an element of unpredictability into the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Nicola Bass (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 September 2025

KESWICK FOUNDATION LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

		Unrestricted Funds	Permanent Endowment Fund	Total Funds	Total Funds
		2024	2024	2024	2023
	Note	HK\$	HK\$	HK\$	HK\$
Donations	3	1,465,696	-	1,465,696	1,691,464
Investment income	4	44,987,077	-	44,987,077	44,134,139
Interest income		3,752,126	-	3,752,126	3,290,621
Total income		<u>50,204,899</u>	<u>-</u>	<u>50,204,899</u>	<u>49,116,224</u>
Expenditure on raising funds		(13,120)	-	(13,120)	(7,329)
Expenditure on charitable activities	5	(34,976,075)	-	(34,976,075)	(30,162,282)
Total expenditure		<u>(34,989,195)</u>	<u>-</u>	<u>(34,989,195)</u>	<u>(30,169,611)</u>
Net surplus before net loss on investments		<u>15,215,704</u>	<u>-</u>	<u>15,215,704</u>	<u>18,946,613</u>
Net foreign exchange loss		(1,090,041)	-	(1,090,041)	(90,232)
Net revaluation loss on Investments	11	-	(10,075,206)	(10,075,206)	(191,677,599)
Net surplus/(deficit)		<u>14,125,663</u>	<u>(10,075,206)</u>	<u>4,050,457</u>	<u>(172,821,218)</u>
Net movement in funds		<u>14,125,663</u>	<u>(10,075,206)</u>	<u>4,050,457</u>	<u>(172,821,218)</u>
Fund balances brought forward		89,879,663	825,158,587	915,038,250	1,087,859,468
Fund balances carried forward		<u>104,005,326</u>	<u>815,083,381</u>	<u>919,088,707</u>	<u>915,038,250</u>

All amounts relate to continuing operations. There were no other recognised gains or losses.

Income and expenditure in 2023 were attributable to unrestricted funds, apart from net revaluation loss on investment of HK\$191,677,599 which was attributable to the permanent endowment fund.

The notes on page 14 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	HK\$	HK\$
Total income	50,204,899	49,116,224
Cost of generating funds	(13,120)	(7,329)
Cost of grant making	(34,732,075)	(29,762,282)
Governance costs	(244,000)	(400,000)
Total expenditure	(34,989,195)	(30,169,611)
Net foreign exchange loss	(1,090,041)	(90,232)
Net surplus of the year	14,125,663	18,856,381

The notes on page 14 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2024**

	Note	2024 HK\$	2023 HK\$
Fixed assets			
Investments	11	815,081,994	825,157,200
Current assets			
Debtors	12	68,341	276,973
Short-term cash deposits	13	34,472,799	8,010,073
Cash at bank and in hand		69,890,239	81,667,504
Total current assets		104,431,379	89,954,550
Current liabilities			
Accruals and other payables	14	(424,666)	(73,500)
Net current assets		104,006,713	89,881,050
Total assets less current liabilities		919,088,707	915,038,250
Net assets			
		919,088,707	915,038,250
Funds:			
Permanent endowment fund	15	15,370,847	15,370,847
Revaluation reserve	16	799,712,534	809,787,740
Permanent endowment fund	15 & 16	815,083,381	825,158,587
Unrestricted funds:			
Called up share capital	17	1,102	1,102
Designated funds	18	13,076,134	26,359,384
Other charitable funds	18	90,928,090	63,519,177
		104,005,326	89,879,663
Total Funds	19	919,088,707	915,038,250

The financial statements on pages 10 to 20 were approved by the Board on 17 September 2025 and signed on its behalf by :



Angelina Woon Ki YUEN TSANG
DIRECTOR



Martha KESWICK
DIRECTOR

The notes on page 14 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	HK\$	HK\$
Cash flows from operating activities		
Net unrestricted surplus	14,125,663	18,856,381
Net foreign exchange loss	1,090,041	90,232
Investment income	(44,987,077)	(44,134,139)
Interest income	(3,752,126)	(3,290,621)
Decrease/(increase) in debtors	117	(2,597)
Increase/(decrease) in accruals and other payables	351,166	(454,449)
Net cash used in operating activities	<u>(33,172,216)</u>	<u>(28,935,193)</u>
Cash flows from investing activities		
Dividends received	44,987,077	44,134,139
Short-term cash deposits placed	(71,743,061)	(68,475,375)
Short-term cash deposits matured	45,280,335	121,263,139
Interest received	3,960,641	3,677,367
Net cash provided by investing activities	<u>22,484,992</u>	<u>100,599,270</u>
Change in cash and cash equivalents due to exchange rate movements	(1,090,041)	(90,232)
Change in cash and cash equivalents in the financial year	<u>(11,777,265)</u>	<u>71,573,845</u>
Cash and cash equivalents at the beginning of the financial year	81,667,504	10,093,659
Cash and cash equivalents at the end of the financial year *	<u><u>69,890,239</u></u>	<u><u>81,667,504</u></u>

* The components of cash and cash equivalents at the end 2024 were HK\$3,693,287, RMB13,386,881 and US\$11,130,644 (2023: HK\$4,173,103, RMB4,126,482 and US\$9,334,456).

The notes on page 14 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2019 ('the SORP 2019'), together with the reporting requirements of the Companies Act 2006, and the Charities Act 2011. The Company has adapted the Companies Act formats to reflect SORP 2019 and the special nature of the Company's activities.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed investments.

The Directors have prepared the financial statements on a going concern basis since they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the signing of these financial statements.

Further stress testing has been carried out to ensure that the Company has sufficient cash resources to continue operate for at least 12 months from the date of signing of the financial statements. The stress testing considered a severe downside however despite the extremely low probability of such an event happening the Company will still have a positive cash surplus at the end of the 12-month period from the signing of the financial statements.

(b) Revenue recognition

Dividend income from investments is recognised when the dividend is declared.

Interest income is recognised over time on a time apportioned basis.

Donations are included in the financial statements at their value to the charity estimated by the Directors, unless it is not possible to quantify that value. Donations are credited to income on a receivable basis.

(c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under appropriate headings in the financial statements.

Cost of generating funds represents bank charges for administration of investments. Costs of charitable activities include grants made and support costs as shown in note 5. Governance costs comprise all costs involving the public accountability of the Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

(d) Grants

Grants are included in the statement of financial activities in the accounting period in which they are approved by the Executive Committee as unconditional and communicated with the recipient. Grants approved which have conditions attached are initially recorded as commitments and are only included in the statement of financial activities when the conditions have been met.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank and other short-term highly liquid investment with original maturities of three months or less and bank overdrafts.

(f) Investments

The Company's investments are measured at fair value. The investments' fair value is measured by the listed share price.

Realised and unrealised gains or losses on investments are accounted for within the fund that owns the investments.

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (continued)

(g) Funds

The Company maintains the following types of funds:

Permanent endowment funds which comprises gifts from donors where the donor has specified that the capital must be retained in perpetuity but the income earned on it is for the general use of the charity. Such income is credited to unrestricted funds.

Designated funds are unrestricted funds earmarked by the Directors for specific purposes.

Other unrestricted funds represents all other funds, which can be used by the Directors for any purpose to further the charity's objectives.

(h) Pension

The Company's contributions to the Mandatory Provident Fund (the "MPF") are expensed as incurred and are 100% vested in the employees as soon as they are paid to the MPF. The Company contributes 10% of the employees' gross salary. The MPF is a defined contribution retirement scheme administered by independent trustees. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(i) Translation of foreign currencies

The Company's functional currency is Hong Kong dollars. Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are recorded in the statement of financial activities.

2 CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes assumptions, estimates, judgements in the process of applying the Company's accounting policies that affect the assets, liabilities, income and expenditure in the financial statements prepared in accordance with the Charities SORP 2019. The assumptions, estimates and judgements are based on historical evidence and other factors that are believed to be reasonable under circumstances. While the Directors review their judgements, estimates and assumptions continuously, the actual result will seldom be equal to the estimates. The Directors do not consider there to be any matters of significant judgement or estimation made during the financial year.

3 DONATIONS

During 2024, Jardine Matheson Holdings Limited donated HK\$1,221,696 (2023: HK\$1,291,464) of office rental to the Company. The audit fee of HK\$244,000 (2023: HK\$400,000) is derived from the audit hours incurred and hourly charge out rate. As the auditors have waived the fee, an amount to offset the nominal charge has been treated as a donation service and credited to the income and expenditure account.

4 INVESTMENT INCOME

	2024	2023
	HK\$	HK\$
Dividend from Jardine Matheson Holdings Limited	<u>44,987,077</u>	<u>44,134,139</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 EXPENDITURES ON CHARITABLE ACTIVITIES

	Note	2024 HK\$	2023 HK\$
Grants paid / payable	6	29,577,217	24,647,523
Support costs	7	5,398,858	5,514,759
		<u>34,976,075</u>	<u>30,162,282</u>

6 GRANTS PAID / PAYABLE

Grants paid / payable are payments made to specific charitable projects as approved by the Directors. The following is a list of grants paid / payable during the year:-

<u>Name of recipient</u> (each recipient below received one grant except where detailed):	2024 HK\$	2023 HK\$
Caritas Hong Kong - Our Common Home	2,980,944	788,602
Caritas Hong Kong - Extreme Weather Short-term Fund	-	100,000
Christian Fellowship of Pastoral Care for Youth Ltd	500,000	375,000
Concern Mental Health Alliance Ltd	725,573	117,674
Evangelical Lutheran Church Social Service, Hong Kong	1,918,792	2,143,901
Fullness Social Enterprises Society Ltd	704,000	1,531,000
Hong Chi Association	-	300,974
Hong Kong Lutheran Social Service, Sunshine Lutheran Centre	904,415	1,070,475
Hong Kong Neuro-Muscular Disease Association	249,940	-
Hong Kong Social Workers Association	2,167,405	1,941,241
Just Feel Limited	1,131,466	1,090,950
Maggie's Cancer Caring Centre	1,000,000	1,000,000
MercyHK2020 Limited	223,595	-
Methodist HK	-	42,966
Migrasia Global Solutions Limited	867,568	-
Mother's Choice - Project Bridge	-	652,735
Music Flow Limited	930,064	-
Run Hong Kong Ltd	133,344	-
Society for Community Organization Ltd - Extreme Weather Short-term Fund	-	98,100
Teen's Key - Young Women Development Network Limited	569,363	408,474
The Ebenezer School & Home for the Visually Impaired Ltd	266,047	148,981
The Hong Kong Polytechnic University - SLLO (Capacity Building Scheme for Secondary School Teachers)	1,133,014	-
The Ruttonjee Hospital Chaplaincy Committee - Chaplaincy Service	382,741	94,559
The Society of Rehabilitation and Crime Prevention, Hong Kong - Project Hope Net	1,041,074	-
Champion for Change Award II - Bring in Change Limited	-	300,000
- Caritas - Hong Kong DF	-	220,000
- Centre for Community Cultural Development Ltd	-	300,000
- Christian Family Service Centre - Time Bank	-	220,000
- Christian Family Service Centre - Online Store Project	-	300,000
- Christian Family Service Centre - Keep e Touch	-	220,000
- HKSWA	-	266,130
- ME Creative Productions Ltd.	17,200	-
- Salvation Army	-	220,000
Covid-19 short-term fund - Care Action International Limited	-	250,000
- Hong Kong Social Workers Association	200,000	200,000
- Love 21 Foundation Ltd	-	250,000
- PolyU-Covid-19 Short-term Fund IV project	172,320	172,320
- RUN Hong Kong Ltd	-	250,000
- Salvation Army	-	250,000
- Uplifters Limited	-	250,000
- Sunbeam Children's Foundation	107,940	106,920
Recognition Award	-	129,700
Book Project	-	32,600

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 GRANTS PAID / PAYABLE (CONTINUED)

	2024	2023
	HK\$	HK\$
<u>China Project</u>		
Beijing Service Centre for Overseas NGO - China Social Work Research Journal Publication Project	978,617	-
China Association of Social Work Education - Enhancing the Quality of MSW Education and Development Project	170,645	531,772
- International Association of School of Social Workers	404,603	205,868
- Peer Review Project	-	12,730
China Social Work Academy - Social Work Station Building	1,851,724	2,171,600
Huazhong Agricultural University - Capacity Building for Disaster Social Work Project	161,955	163,875
Shanxi Jia Yuen Hui Social Work Service Centre	-	41,410
The Hong Kong Polytechnic University - APPS (Building for DSW Educators in Mainland China)	1,054,538	-
- APPS (China Social Work Project Fund III)	616,390	2,102,340
- APPS (DSW Round I)	806,680	1,242,260
- APPS (DSW Round II)	603,600	-
- APPS (Nurturing New Generation of Social Work Teachers)	269,481	-
- APPS (Social Work Station - Training Series)	161,910	325,740
- RS (Love without Borders)	253,000	1,138,110
- RS (The 3A Blueprint for Community Rehabilitation)	1,535,365	-
World Vision China Foundation Ltd - Guarding the Futures Child Protection	613,764	583,870
- Happy Kids	-	142,789
- One time contingency fund for Gansu Earthquake	402,893	-
Guangzhou Yang Ai - Covid-19 Short-term Fund IV project	108,890	108,160
- O2O Resource and Support Pilot Project	488,271	-
Response to Gansu Earthquake Fund - Huazhong Agricultural University	162,195	-
- The Hong Kong Polytechnic University (RS)	545,400	-
China Monitoring Expenses	141,847	165,116
Refund of unused amount from completed projects	(81,356)	(131,419)
	<u>29,577,217</u>	<u>24,647,523</u>

The Company has not awarded any grants to individuals during 2024 (2023: nil).

KESWICK FOUNDATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7 SUPPORT COSTS**

		2024	2023
	Note	HK\$	HK\$
Staff costs	8	3,211,595	3,530,946
Printing and stationery		9,188	5,158
Website		30,590	41,222
Office equipment expensed		85,855	8,246
Travelling expenses		46,305	17,665
Audit fee		244,000	400,000
Project of building KF archive		250,000	-
Office rental		1,221,696	1,291,464
Sundry expenses		299,629	220,058
		<u>5,398,858</u>	<u>5,514,759</u>

All support costs have been allocated to charitable activities.

8 STAFF COSTS

	2024	2023
	HK\$	HK\$
Wages, salaries and other benefits	3,148,449	3,252,714
Pension costs	63,146	278,232
	<u>3,211,595</u>	<u>3,530,946</u>

One employee's emolument fell within the band GBP140,000 - GBP150,000 in 2024 (2023: one). One employee's emolument fell within the band GBP60,000 - GBP70,000 in 2024 (2023: One).

The average number of employees during the year was 5 (2023: 4).

Defined contribution pension plan of HK\$33,639 remains unpaid as at 31 December 2024 (2023: HK\$73,500).

The above numbers do not include Directors who are not permitted to receive remuneration for their duties.

9 DIRECTORS' REMUNERATION

None of the Directors received any remuneration or reimbursement of expenses in respect of their services rendered to the Company during the year (2023: nil).

10 TAXATION

The Company is exempted from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance (Cap. 112).

The Company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, carried on in furtherance of the Company's primary objectives, if these profits are applied solely for charitable purposes.

No United Kingdom corporation tax liability arises for the year (2023: nil).

KESWICK FOUNDATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****11 INVESTMENTS**

Investments represent shares in Jardine Matheson Holdings Limited ("JMHL"), a company listed on the London Stock Exchange.

	2024	2023
	HK\$	HK\$
Movements for the year:		
At 1st January	825,157,200	1,016,834,799
Net revaluation loss	(10,075,206)	(191,677,599)
At 31st December	<u>815,081,994</u>	<u>825,157,200</u>
Historical cost as at 31st December	<u>15,369,460</u>	<u>15,369,460</u>
Revaluation gains at 31st December	<u>799,712,534</u>	<u>809,787,740</u>

The above unrealised gain relates to the endowment fund. The Directors believe that the carrying value of the investment is supported by its underlying net assets.

12 DEBTORS

	2024	2023
	HK\$	HK\$
Interest receivable	65,033	273,548
Cash advances	3,308	3,425
	<u>68,341</u>	<u>276,973</u>

Interest received mainly from USD time deposits of HK\$71,743,061 as at 31st December 2024 (2023: HK\$68,386,969) and the interest rate obtained in 2024 was 4.05% - 5.51% (2023: 3.11% - 5.51%).

13 SHORT-TERM CASH DEPOSITS

	2024	2023
	HK\$	HK\$
At 31 December	<u>34,472,799</u>	<u>8,010,073</u>

14 ACCRUALS AND OTHER PAYABLES

	2024	2023
	HK\$	HK\$
Huazhong Agricultural University - Capacity Building for Disaster Social Work Project	162,195	-
Huazhong Agricultural University - Gansu Earthquake Fund	161,955	-
Petty cash reimbursement	66,877	-
Employer's contribution of MPF expenses	33,639	73,500
	<u>424,666</u>	<u>73,500</u>

15 PERMANENT ENDOWMENT FUND

Permanent endowment funds of the Company represent the JMHL shares accepted by the Directors as a gift on 19 October 1979 and 4 December 2000. The value of the shares received on those dates were HK\$15,250,000 and HK\$120,847 respectively. The Directors hold this investment as a fund to provide income for the charitable purpose of the Company and this amount has therefore been credited to capital reserves. The revaluation reserve of the Company comprises the cumulative net change in the fair values of the JMHL shares which is shown in the Note 16.

16 REVALUATION RESERVE

	2024	2023
	HK\$	HK\$
At 1 January	809,787,740	1,001,465,339
Net revaluation loss during the year	(10,075,206)	(191,677,599)
At 31 December	<u>799,712,534</u>	<u>809,787,740</u>

17 CALLED UP SHARE CAPITAL

	2024	2023
	HK\$	HK\$
Authorised, allotted and fully paid:		
100 (2023: 100) ordinary shares of £1 each	<u>1,102</u>	<u>1,102</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 DESIGNATED FUNDS AND OTHER CHARITABLE FUNDS

The unrestricted funds of the Company represent the accumulated net income and unrealised gains on revaluation of investments which are not related to the permanent endowment funds. The unrestricted funds are further classified as designated funds for specific charitable projects which are approved by the Directors and other charitable funds.

	2024	2023
	HK\$	HK\$
<u>Designated funds</u>		
At 1 January	26,359,384	28,298,523
Designations	16,293,967	22,708,384
Utilised during the year	(29,577,217)	(24,647,523)
At 31 December	<u>13,076,134</u>	<u>26,359,384</u>

	2024	2023
	HK\$	HK\$
<u>Other charitable funds</u>		
At 1 January	63,519,177	42,723,657
Net incoming resources before revaluations and grants paid	43,702,880	43,503,904
Designations	(16,293,967)	(22,708,384)
At 31 December	<u>90,928,090</u>	<u>63,519,177</u>

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2024 HK\$	Permanent endowment funds 2024 HK\$	Total funds 2024 HK\$
Investments	-	815,081,994	815,081,994
Current assets	104,429,992	1,387	104,431,379
Current liabilities	(424,666)	-	(424,666)
Net assets	<u>104,005,326</u>	<u>815,083,381</u>	<u>919,088,707</u>
	2023 HK\$	2023 HK\$	2023 HK\$
Investments	-	825,157,200	825,157,200
Current assets	89,953,163	1,387	89,954,550
Current liabilities	(73,500)	-	(73,500)
Net assets	<u>89,879,663</u>	<u>825,158,587</u>	<u>915,038,250</u>

20 COMMITMENTS

	2024	2023
	HK\$	HK\$
Within one year	13,076,134	26,359,384
Between one and five years	20,778,158	6,514,087
	<u>33,854,292</u>	<u>32,873,471</u>

Of the commitments within one year at 31 December 2023, HK\$20,360,753 was paid during the year.

These commitments are grants approved by the Executive Committee, donate to organisations and subject to terms and conditions stated in the grant letters.

21 RELATED PARTY TRANSACTIONS

Certain members of the Board of Directors are directors of JMH or affiliated with the directors of JMH. Dividend income of HK\$44,987,077 (2023: HK\$44,134,139) was received from the investment in JMH. Devon House rent of HK\$1,221,696 was donated from JMH in 2024 (2023: HK\$1,291,464).

KESWICK FOUNDATION LIMITED

England & Wales - Charity number 278449

Accounts

KESWICK FOUNDATION LIMITED
(Registered company number 1422314)
(Registered charity number 278449)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st DECEMBER 2023

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS

Keswick Foundation Limited was incorporated on 23rd May 1979 as a charitable private company limited by shares in England. The Articles of Association of the Company was adopted pursuant to a special resolution of the members of the Company on 24th November 2020. The Directors together with the Executive Committee members who served during 2023 and up to the date of signing the financial statements are listed below. The Articles of Association of the Company allows for a board of not less than two Directors.

Co-founders:

Sir John Keswick
Mrs. Maggie Keswick Jencks

Directors:

Clara Mary WEATHERALL, Chairman
Deming CHEN
Wai Chi CHOW
Francine Wing Ting FU KWONG
Kathryn Mary GREENBERG
Stacey Anne HILDEBRANDT
Ivor Cosimo JENCKS
Lily Clare JENCKS
Benjamin William KESWICK
Clare Jane KESWICK
Martha KESWICK
Christophe Kin Ping LEE
Stephen Charles LI
Neil Michael MCNAMARA
Angelina Woon Ki YUEN TSANG
Michael Yuen-jen YAO
Sharmini Priya CHETWODE (appointed on 13th June 2024)

Executive Committee:

Angelina Woon Ki YUEN TSANG, Chairman
Martha KESWICK
Deming CHEN
Wai Chi CHOW
Francine Wing Ting FU KWONG
Kathryn Mary GREENBERG
Stacey Anne HILDEBRANDT
Ivor Cosimo JENCKS
Christophe Kin Ping LEE
Stephen Charles LI
Neil Michael MCNAMARA
Michael Yuen-jen YAO
Sharmini Priya CHETWODE (appointed on 13th June 2024)

Company Secretary:

Jonathan Lloyd

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS (CONTINUED)

Principal place of business:

25th Floor, Devon House
Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

Independent auditors:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH
United Kingdom

Bankers:

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

BNP Paribas Hong Kong Branch
63/F, Two Int'l Finance Centre
8 Finance Street Central
Hong Kong

Butterfield Trust (Bermuda) Limited
65 Front Street
Hamilton HM 12
Bermuda

Registered office:

12 Upper Grosvenor Street
London
W1K 2ND
United Kingdom (w.e.f. 22nd September 2023)

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT

The Directors of the Company, who are also the trustees for the purpose of UK Charity Law, submit their annual report and the Company's audited financial statements for the financial year ended 31st December 2023.

The annual report and financial statements for the year ended 31st December 2023 have been prepared on a going concern basis, under the historical cost convention as modified by revaluation of investments, in compliance with the Companies Act 2006, the Charities Act 2011, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Statement of Recommended Practice 'Accounting and Reporting by Charities FRS 102' as revised in 2019 ("the SORP 2019"). The principal accounting policies, which have been applied consistently throughout the year, including changes arising on the adoption of Charities SORP. As the Company is a small company (as defined in section 382 of the Companies Act 2006), the Company applies the exemption not to prepare a strategic report.

Organisational Structure

The Board of Directors oversees the management, policy and planning of the Company. The projects and their funding have to be reviewed and approved by the Executive Committee to ensure proper allocation of resources. Max Wong, the Executive Director, who is an employee of the Company, provides supporting services to the administration office of the Company and funding projects.

The Company is registered as a charity (registered number: 278449) under the Charities Act 2011. The objects of the Company are to help to support those in need in Hong Kong and mainland China by assisting pilot projects relating to human welfare.

Objectives and Activities for the Public Benefit

When reviewing the Company's activities, the Directors have taken into consideration of the Charity Commission's guidance on public benefit disclosure and believe the activities of the Company inherently meet the requirements given the nature of grants awarded to other charitable organisations.

The Company's mission is to support, nurture and promote charitable bodies that address social needs in Hong Kong and mainland China. The Company funds pilot projects/new services and long-term strategic initiatives. The projects that fill service gaps and address specific social needs would also be considered. The Company funding may cover recurrent, programme, or, exceptionally, capital costs.

The nature of services to be focused on by the Company includes elderly, youth/children, family and disability.

Grant Making Policy

The Executive Committee is responsible for approving the funding applications and will look at new funding applications throughout the year. In 2011, the Company adopted a new policy to help maintain the efficiency of the assessment process. All new applications will be firstly screened through vetting meetings formed by at least 3 Executive Committee Members. The objectives of the vetting meeting are (a) to turn down irrelevant applications; (b) to approve certain straight forward applications, each project under HK\$500,000 per year; and (c) to make recommendations for further consideration by the Executive Committee of projects determined to be worthwhile. Those shortlisted proposals will be submitted to the Executive Committee for consideration and approval.

Achievements and Performance

In 2023, the Company donated a total of HK\$24.6 million (2022: HK\$29.7 million) for 33 charity projects (2022: 38 charity projects) in Hong Kong and mainland China.

The projects covered a wide range of services, such as support for disadvantaged youth and families as well as capacity building for professionals in mainland China. Here are some of the highlights:

- The Company committed an amount of HK\$3,266,460 to promote the prevention of loot box gambling among teenagers and enhance youth service professionals' knowledge on the subject.
- An amount of HK\$1,721,187 has been committed to support marginalised young women to overcome their traumatic experiences and other mental distress issues through counselling.
- The Company has committed an additional RMB2,503,926 to enhance the quality of Master of Social Work (MSW) education and development. The project aims to align China's MSW education and training framework with global standards and to develop a benchmarking system.

In 2024, the Company will continue supporting pilot projects that address service gaps and facilitating long-term and impactful service development, particularly for small organisations.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Financial Position

The Company had a net unrestricted surplus for the year of HK\$18,856,381 (2022: net unrestricted surplus of HK\$9,899,524). After taking into consideration of net loss of revaluation of investments of HK\$191,677,599 (2022: HK\$82,345,522), the Company had a net deficit for the year of HK\$172,821,218 (2022: HK\$72,445,998).

Investment income from dividends for 2023 amounted to HK\$44,134,139 (2022: HK\$42,430,705). During the year, the Company made grants of HK\$24,647,523 (2022: HK\$29,662,468).

Under the Company's Memorandum of Association, the income and property of the Company shall be applied solely towards the promotion of its objects and no portion shall be paid or transferred, directly or indirectly by way of dividend, bonus or profit to members of the Company. Furthermore, no member of the board shall be paid salary or fees or receive any remuneration or other benefit in money or money's worth from the Company except for the reasonable payment of expenses.

Investment Policy and Performance against the Policy

In furtherance of the objects, the Company may invest the monies of the Company not immediately required in or on such investments, securities or property as may be thought fit, provided such consent and conditions as required by laws have been obtained and fulfilled.

The Directors determine the acquisitions and disposals of investments in order to maintain the income required for the charitable projects. In accordance with the instructions of the founders, the shares in Jardine Matheson Holdings Limited ("JMH"), which are held within the Endowment Fund, are the only investments held by the Company in that Fund. Such investments are to be kept intact and only the income from these investments will be used by the Company to distribute to charities and other organisations of its choice. For investments held in unrestricted funds, dividends and sales proceeds received from the shares continue to provide the income to enable the Company to carry out its charitable activities. The Directors periodically review the performance of the portfolio to ensure that it continues to provide the most appropriate investment for the Company's requirements.

Risks faced by the Charity

The Directors are responsible for the identification and management of risks, and have taken steps to ensure that controls are in place to mitigate them. There is market price risk in association with the investment held by the Company. However, the Directors consider the investment to be low risk and highly regarded when compared with benchmark investment indices. Review of the risks is conducted regularly to monitor the controls in place and the performance of JMH shares is reviewed annually by the Directors. The Company is also exposed to liquidity risk in respect of the payments of committed projects, but it manages its liquidity requirements through maintaining sufficient cash and disposal of unrestricted investments when additional cash is required.

Reserves

Most of the Company's funds are held either as a permanent endowment or as funds designated for specific purposes. The Company's policy is to maintain a minimum level of non-designated unrestricted funds equal to six months' general expenditure. At the year-end, unrestricted funds which have not been designated amounted to HK\$63,520,279 (2022: HK\$42,724,759). The large amount of non-designated unrestricted funds was discussed and allocated for special projects that would better serve society. The reserves policy is reviewed regularly by the Directors and last reviewed on 31st December 2023.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' Appointments

The first Directors were appointed by the subscribers.

The Company may, by ordinary resolution, appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director. The Directors may also appoint a person who is willing to act as an additional Director.

On appointment, the chairman of the Executive Committee will have a briefing session with the new Director on board to explain his/her roles and responsibilities.

The current Directors, and those who served during the year, are listed on page 1.

Statement of Directors' Responsibilities

The directors of Keswick Foundation Limited for the purposes of company law are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of Disclosure of Information to Auditors

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The members amended the Articles of Association on 16th April 2020 inter alia, dispensing with the requirement of holding Annual General Meetings and approved that the auditors of the Company will automatically be deemed re-appointed unless sufficient members have given notice to the Company under section 488 of the Companies Act.

On behalf of the Board



Angelina Woon Ki YUEN TSANG
Director

HONG KONG, 24th September 2024

Independent auditors’ report to the members of Keswick Foundation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Keswick Foundation Limited’s charitable company financial statements (the “financial statements”):

- give a true and fair view of the state of the charitable company’s affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the “Annual Report”), which comprise: the balance sheet as at 31 December 2023; the statement of financial activities; the summary income and expenditure account, and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company’s ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors’ Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' Report for the period ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in *the Statement of Directors' Responsibilities*, the Directors (who are also the trustees of the charitable company for the purposes of UK Charity Law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to misappropriation of assets. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, specifically journal entries posted with unusual account combinations to cash accounts;
- obtaining confirmation of cash balances as at 31 December 2023;
- enquiring of management and the Directors, including known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of the board of Directors; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Nicola Bass (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 September 2024

KESWICK FOUNDATION LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2023**

		Unrestricted Funds	Permanent Endowment Fund	Total Funds	Total Funds
		2023	2023	2023	2022 (restated)*
	Note	HK\$	HK\$	HK\$	HK\$
Donations	3	1,691,464	-	1,691,464	1,536,714
Investment income	4	44,134,139	-	44,134,139	42,430,705
Interest income		3,290,621	-	3,290,621	854,857
Total income		<u>49,116,224</u>	<u>-</u>	<u>49,116,224</u>	<u>44,822,276</u>
Expenditure on raising funds		(7,329)	-	(7,329)	(6,864)
Expenditure on charitable activities	5	(30,162,282)	-	(30,162,282)	(34,035,571)
Total expenditure		<u>(30,169,611)</u>	<u>-</u>	<u>(30,169,611)</u>	<u>(34,042,435)</u>
Net surplus before net loss on investments		18,946,613	-	18,946,613	10,779,841
Net foreign exchange loss		(90,232)	-	(90,232)	(880,317)
Net revaluation loss on Investments	11	-	(191,677,599)	(191,677,599)	(82,345,522)
Net surplus/(deficit)		<u>18,856,381</u>	<u>(191,677,599)</u>	<u>(172,821,218)</u>	<u>(72,445,998)</u>
Net movement in funds		18,856,381	(191,677,599)	(172,821,218)	(72,445,998)
Fund balances brought forward		71,023,282	1,016,836,186	1,087,859,468	1,160,305,466
Fund balances carried forward		<u>89,879,663</u>	<u>825,158,587</u>	<u>915,038,250</u>	<u>1,087,859,468</u>

All amounts relate to continuing operations. There were no other recognised gains or losses.

* Restated due to the updated presentation of Devon House rent in 2022 (refer note 1(j)).

Income and expenditure in 2022 were attributable to unrestricted funds, apart from net revaluation loss on investments of HK\$82,345,522 which was attributable to the permanent endowment fund.

The notes on page 14 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	2023	2022
	HK\$	HK\$ (restated)*
Total income	49,116,224	44,822,276
Cost of generating funds	(7,329)	(6,864)
Cost of grant making	(29,762,282)	(33,790,321)
Governance costs	(400,000)	(245,250)
Total expenditure	(30,169,611)	(34,042,435)
Net foreign exchange loss	(90,232)	(880,317)
Net surplus of the year	18,856,381	9,899,524

* Restated due to the updated presentation of Devon House rent in 2022 (refer note 1(j)).

The notes on page 14 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**BALANCE SHEET
AS AT 31ST DECEMBER 2023**

	Note	2023 HK\$	2022 HK\$
Fixed assets			
Investments	11	825,157,200	1,016,834,799
Current assets			
Debtors	12	276,973	661,122
Short-term cash deposits	13	8,010,073	60,797,837
Cash at bank and in hand		81,667,504	10,093,659
Total current assets		89,954,550	71,552,618
Current liabilities			
Accruals and other payables	14	(73,500)	(527,949)
Net current assets		89,881,050	71,024,669
Total assets less current liabilities		915,038,250	1,087,859,468
Net assets		915,038,250	1,087,859,468
Funds:			
Permanent endowment fund	15 & 16	825,158,587	1,016,836,186
Unrestricted funds:			
Called up share capital	17	1,102	1,102
Designated funds	18	26,359,384	28,298,523
Other charitable funds	18	63,519,177	42,723,657
		89,879,663	71,023,282
Total Funds	19	915,038,250	1,087,859,468

The financial statements on pages 10 to 20 were approved by the Board on 24th September 2024 and signed on its behalf by :



Angelina Woon Ki YUEN TSANG
DIRECTOR



Martha KESWICK
DIRECTOR

The notes on page 14 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	2023	2022
	HK\$	HK\$
Cash flows from operating activities :		
Net unrestricted surplus	18,856,381	9,899,524
Net foreign exchange loss	90,232	880,317
Investment income	(44,134,139)	(42,430,705)
Interest income	(3,290,621)	(854,857)
(Increase)/decrease in debtors	(2,597)	1,368,250
(Decrease)/increase in accruals and other payables	(454,449)	499,296
Net cash used in operating activities	<u>(28,935,193)</u>	<u>(30,638,175)</u>
Cash flows from investing activities		
Dividends received	44,134,139	42,430,705
Short-term cash deposits placed	(68,475,375)	(60,797,837)
Short-term cash deposits matured	121,263,139	-
Interest received	3,677,367	205,645
Net cash provided/(used in) by investing activities	<u>100,599,270</u>	<u>(18,161,487)</u>
Change in cash and cash equivalents due to exchange rate movements	(90,232)	(880,317)
Change in cash and cash equivalents in the reporting period	<u>71,573,845</u>	<u>(49,679,979)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>10,093,659</u>	<u>59,773,638</u>
Cash and cash equivalents at the end of the reporting period *	<u>81,667,504</u>	<u>10,093,659</u>

* The components of cash and cash equivalents at the end 2023 were HK\$4,173,103, RMB4,126,482 and US\$9,334,456 (2022: HK\$574,083, RMB8,051,746 and US\$63,303).

The notes on page 14 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2019 ('the SORP 2019'), together with the reporting requirements of the Companies Act 2006, and the Charities Act 2011. The Company has adapted the Companies Act formats to reflect SORP 2019 and the special nature of the Company's activities.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed investments.

The financial statements have been prepared on the going concern basis. There are no material uncertainties about the Company's ability to continue operating as a going concern. The accounting policies have been applied consistently throughout the financial statements and the prior year.

(b) Revenue recognition

Dividend income from investments is recognised when the dividend is declared.

Interest income is recognised over time on a time apportioned basis.

Donations are included in the financial statements at their value to the charity estimated by the Directors, unless it is not possible to quantify that value. Donations are credited to income on a receivable basis.

(c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under appropriate headings in the financial statements.

Cost of generating funds represents bank charges for administration of investments. Costs of charitable activities include grants made and support costs as shown in note 5. Governance costs comprise all costs involving the public accountability of the Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

(d) Grants

Grants are included in the statement of financial activities in the accounting period in which they are approved by the Executive Committee as unconditional and communicated with the recipient. Grants approved which have conditions attached are initially recorded as commitments and are only included in the statement of financial activities when the conditions have been met.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank and other short-term highly liquid investment with original maturities of three months or less and bank overdrafts.

(f) Investments

The Company's investments are measured at fair value. The investments' fair value is measured by the listed share price.

Realised and unrealised gains or losses on investments are accounted for within the fund that owns the investments.

KESWICK FOUNDATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1 ACCOUNTING POLICIES (continued)****(g) Funds**

The Company maintains the following types of funds:

Permanent endowment funds which comprises gifts from donors where the donor has specified that the capital must be retained in perpetuity but the income earned on it is for the general use of the charity. Such income is credited to unrestricted funds.

Designated funds are unrestricted funds earmarked by the Directors for specific purposes.

Other unrestricted funds represents all other funds, which can be used by the Directors for any purpose to further the charity's objectives.

(h) Pension

The Company's contributions to the Mandatory Provident Fund (the "MPF") are expensed as incurred and are 100% vested in the employees as soon as they are paid to the MPF. The Company contributes 10% of the employees' gross salary. The MPF is a defined contribution retirement scheme administered by independent trustees. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(i) Translation of foreign currencies

The Company's functional currency is Hong Kong dollars. Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are recorded in the statement of financial activities.

(j) Comparative figures

During the year, the donations and expenditure on charitable activities have been restated to reflect the in-kind donation of the office rental from JMH. In prior year, the office rental was net off with the JMH's donation. This changes has been accounted for retrospectively with comparative information restated.

The effects of the restatement on the previously reported statement of financial activities for the year ended 31 December 2022 were as follows:

	As previously reported	Restatement	Restated
	HK\$	HK\$	HK\$
Donations	245,250	1,291,464	1,536,714
Expenditure on charitable activities (Support costs in Note 5 and Office rental in Note 7)	(32,744,107)	(1,291,464)	(34,035,571)
	<u>(32,498,857)</u>	<u>-</u>	<u>(32,498,857)</u>

2 CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes assumptions, estimates, judgements in the process of applying the Company's accounting policies that affect the assets, liabilities, income and expenditure in the financial statements prepared in accordance with the Charities SORP 2019. The assumptions, estimates and judgements are based on historical evidence and other factors that are believed to be reasonable under circumstances. While the Directors review their judgements, estimates and assumptions continuously, the actual result will seldom be equal to the estimates. The Directors do not consider there to be any matters of significant judgement made during the financial year.

3 DONATIONS

During 2023, Jardine Matheson Holdings Limited donated HK\$1,291,464 (2022: HK\$1,291,464) of office rental to the Company. The audit fee of HK\$400,000 (2022: HK\$245,250) is derived from the audit hours incurred and hourly charge out rate. As the auditors have waived the fee, an amount to offset the nominal charge has been treated as a donation service and credited to the income and expenditure account.

4 INVESTMENT INCOME

	2023	2022
	HK\$	HK\$
Dividend from Jardine Matheson Holdings Limited	<u>44,134,139</u>	<u>42,430,705</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 EXPENDITURES ON CHARITABLE ACTIVITIES		2023	2022 (restated)*
	Note	HK\$	HK\$
Grants payable	6	24,647,523	29,662,468
Support costs	7	5,514,759	4,373,103
		30,162,282	34,035,571

* Restated due to the updated presentation of Devon House rent in 2022 (refer note 1(j)).

6 GRANTS PAYABLE

Grants paid are payments made to specific charitable projects as approved by the Directors. The following is a list of grants paid during the year:-

<u>Name of recipient</u> (each recipient below received one grant except where detailed):	2023 HK\$	2022 HK\$
Caritas Hong Kong	788,602	364,470
Caritas Hong Kong - Extreme Weather Short-term Fund	100,000	-
Children's Heart Foundation	-	381,600
China Coast Community - Occupational Therapy Services	-	58,500
Christian Fellowship of Pastoral Care for Youth Ltd	375,000	166,667
Concern Mental Health Alliance Ltd	117,674	-
Evangelical Lutheran Church of Hong Kong	2,143,901	1,658,307
Fullness Social Enterprises Society Ltd	1,531,000	1,377,000
Hong Chi Association	300,974	496,830
Hong Kong Lutheran Social Service, Lutheran Church	1,070,475	237,883
Hong Kong Social Workers Association	1,941,241	2,018,381
Just Feel Limited	1,090,950	899,534
Maggie's Cancer Caring Centre	1,000,000	1,000,000
Methodist HK	42,966	260,499
Mother's Choice - Project Bridge	652,735	697,697
PMA Music Foundation Ltd	-	157,985
Society for Community Organization Ltd - Extreme Weather Short-term Fund	98,100	-
Teen's Key - Young Women Development Network Limited	408,474	90,772
The Ebenezer School & Home for the Visually Impaired Ltd	148,981	-
The Hong Kong Polytechnic University - SLLO	-	2,698,150
- DISI	-	495,200
The University of Hong Kong - SWSA2	-	242,949
The Hong Kong Baptist University - SWSA2	-	242,949
The Rutonjee Hospital Chaplaincy Committee - Chaplaincy Service	94,559	-
Uplifters	-	166,808
Champion for Change Award I - HKCSS	-	50,000
Champion for Change Award II - HKSWA	266,130	1,677,350
- Caritas - Hong Kong DF	220,000	-
- Christian Family Service Centre - Time Bank	220,000	-
- Christian Family Service Centre - Online Store Project	300,000	-
- Christian Family Service Centre - Keep e Touch	220,000	-
- Salvation Army	220,000	-
- Bring in Change Limited	300,000	-
- Centre for Community Cultural Development Ltd	300,000	-
Counselling Services Scheme - Evangel Children's Home	-	154,382
- Hong Kong Christian Services	-	219,147
- The Boys' & Girls' Clubs Association of HK	-	172,383
Covid-19 Project Fund (Round II)	-	136,246
Covid-19 Project Fund (Round III)	-	2,989,503
Covid-19 short-term fund		
Action Care International Limited	250,000	-
Hong Kong Social Workers Association	200,000	-
Love 21 Foundation Ltd	250,000	-
PolyU-Covid-19 Short-term Fund IV project	172,320	-
RUN Hong Kong Ltd	250,000	-
Salvation Army	250,000	-
Uplifters Limited	250,000	-
Sunbeam Children's Foundation	106,920	-
Recognition Award	129,700	90,000
Book Project	32,600	-

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 GRANTS PAYABLE (CONTINUED)

		2023	2022
		HK\$	HK\$
<u>China Project</u>			
CASWE	- 3 year Projects	-	169,495
CASWE	- Peer Review Project	12,730	-
CASWE	- Enhancing the Quality of MSW Education and Development Project	531,772	-
CASWE	- IASSW	205,868	-
CASWE	- Covid Short-term Fund	-	1,254,220
China Social Work Project Fund III	- Projects	2,102,340	2,451,072
	- Monitoring Expenses	165,116	-
China Academy of Social Work		2,171,600	2,271,840
The Hong Kong Polytechnic University	- RS	1,138,110	1,112,230
	- APPS (DSW)	1,242,260	766,320
	- APPS (New Generation of Social Work Teachers)	-	1,301,277
	- APPS (Social Work Station - Training Series)	325,740	472,335
Shaanxi Jia Yuen Hui Social Work Service Centre		41,410	149,791
World Vision China Foundation Ltd	- Happy Kids	142,789	289,667
World Vision China Foundation Ltd	- Guarding the Futures	583,870	848,971
Yang Ai		108,160	257,107
Huazhong Agricultural University	- Capacity Building for Disaster Social Work Project	163,875	-
Refund of unused amount from completed projects		(131,419)	(883,049)
		<u>24,647,523</u>	<u>29,662,468</u>

The Company has not awarded any grants to individuals during 2023 (2022: nil).

KESWICK FOUNDATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

7 SUPPORT COSTS		2023	2022 (restated)*
	Note	HK\$	HK\$
Staff costs	8	3,530,946	2,647,689
Printing and stationery		5,158	5,706
Website		41,222	1,857
Office equipment expensed		8,246	14,980
Travelling expenses		17,665	2,027
Audit fee		400,000	245,250
Office rental *		1,291,464	1,291,464
Sundry expenses		220,058	164,130
		<u>5,514,759</u>	<u>4,373,103</u>

All support costs have been allocated to charitable activities.

* Restated due to the updated presentation of Devon House rent in 2022 (refer note 1(j)).

8 STAFF COSTS		2023	2022
		HK\$	HK\$
Wages, salaries and other benefits		3,252,714	2,408,880
Pension costs		278,232	238,809
		<u>3,530,946</u>	<u>2,647,689</u>

One employee's emolument fell within the band GBP140,000 - GBP150,000 in 2023. One employee's emolument fell within the band GBP70,000 - GBP80,000 and one fell within the band GBP80,000 - GBP90,000 in 2022.

The average number of full-time equivalent employees during the year was 4 (2022: 4).

Defined contribution pension plan of HK\$73,500 remains unpaid as at 31st December 2023 (2022: HK\$29,799).

The above numbers do not include Directors who are not permitted to receive remuneration for their duties.

9 DIRECTORS' REMUNERATION

None of the Directors received any remuneration or reimbursement of expenses in respect of their services rendered to the Company during the year (2022: nil).

10 TAXATION

The Company is exempted from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance (Cap. 112).

The Company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, carried on in furtherance of the Company's primary objectives, if these profits are applied solely for charitable purposes.

No United Kingdom corporation tax liability arises for the year (2022: nil).

KESWICK FOUNDATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****11 INVESTMENTS**

Investments represent shares in Jardine Matheson Holdings Limited ("JMHI"), a company listed on the London Stock Exchange.

	2023 HK\$	2022 HK\$
Movements for the year:		
At 1st January	1,016,834,799	1,099,180,321
Net revaluation loss	(191,677,599)	(82,345,522)
At 31st December	<u>825,157,200</u>	<u>1,016,834,799</u>
Historical cost as at 31st December	<u>15,369,460</u>	<u>15,369,460</u>
Revaluation gains at 31st December	<u>809,787,740</u>	<u>1,001,465,339</u>

The above unrealised gain relates to the endowment fund. The Directors believe that the carrying value of the investment is supported by its underlying net assets.

12 DEBTORS

	2023 HK\$	2022 HK\$
Interest receivable	273,548	660,294
Cash advances	3,425	828
	<u>276,973</u>	<u>661,122</u>

Interest received mainly arises from USD short-term deposits amounting to HK\$8,010,073 as at 31st December 2023 (2022: HK\$60,797,837) and the interest rate obtained in 2023 was 3.11% - 5.51% (2022: 0.17% - 4.78%).

13 SHORT-TERM CASH DEPOSITS

	2023 HK\$	2022 HK\$
At 31st December	<u>8,010,073</u>	<u>60,797,837</u>

14 ACCRUALS AND OTHER PAYABLES

	2023 HK\$	2022 HK\$
Hong Kong Lutheran Social Service, Lutheran Church	-	237,883
Teen's Key - Young Women Development Network Limited	-	90,772
China Project - CASWE	-	169,495
Employer's contribution of MPF expenses	73,500	29,799
	<u>73,500</u>	<u>527,949</u>

15 PERMANENT ENDOWMENT FUND

Permanent endowment funds of the Company represent the JMHI shares accepted by the Directors as a gift on 19th October 1979 and 4th December 2000. The value of the shares received on those dates were HK\$15,250,000 and HK\$120,847 respectively. The Directors hold this investment as a fund to provide income for the charitable purpose of the Company and this amount has therefore been credited to capital reserves. The revaluation reserve of the Company comprises the cumulative net change in the fair values of the JMHI shares which is shown in the Note 16.

16 REVALUATION RESERVE

	2023 HK\$	2022 HK\$
At 1 January 2023	1,001,465,339	1,083,810,861
Net revaluation loss during the year	(191,677,599)	(82,345,522)
At 31st December 2023	<u>809,787,740</u>	<u>1,001,465,339</u>

17 CALLED UP SHARE CAPITAL

	2023 HK\$	2022 HK\$
Authorised, allotted and fully paid: 100 (2022: 100) ordinary shares of £1 each	<u>1,102</u>	<u>1,102</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 DESIGNATED FUNDS AND OTHER CHARITABLE FUNDS

The unrestricted funds of the Company represent the accumulated net income and unrealised gains on revaluation of investments which are not related to the permanent endowment funds. The unrestricted funds are further classified as designated funds for specific charitable projects which are approved by the Directors and other charitable funds.

	2023	2022
	HK\$	HK\$
<u>Designated funds</u>		
At 1st January	28,298,523	20,876,051
Designations	22,708,384	37,084,940
Utilised during the year	(24,647,523)	(29,662,468)
At 31st December	<u>26,359,384</u>	<u>28,298,523</u>
	2023	2022
	HK\$	HK\$
<u>Other charitable funds</u>		
At 1st January	42,723,657	40,246,605
Net incoming resources before revaluations and grants paid	43,503,904	39,561,992
Designations	(22,708,384)	(37,084,940)
At 31st December	<u>63,519,177</u>	<u>42,723,657</u>

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023 HK\$	Permanent endowment funds 2023 HK\$	Total funds 2023 HK\$
Investments	-	825,157,200	825,157,200
Current assets	89,953,163	1,387	89,954,550
Current liabilities	(73,500)	-	(73,500)
Net assets	<u>89,879,663</u>	<u>825,158,587</u>	<u>915,038,250</u>
	2022 HK\$	2022 HK\$	2022 HK\$
Investments	-	1,016,834,799	1,016,834,799
Current assets	71,551,231	1,387	71,552,618
Current liabilities	(527,949)	-	(527,949)
Net assets	<u>71,023,282</u>	<u>1,016,836,186</u>	<u>1,087,859,468</u>

20 COMMITMENTS

	2023	2022
	HK\$	HK\$
Within one year	26,359,384	28,298,523
Between one and five years	6,514,087	20,738,950
	<u>32,873,471</u>	<u>49,037,473</u>

Of the commitments within one year at 31st December 2022, HK\$21,349,294 was paid during the year.

These commitments are grants approved by the Executive Committee, donate to organisations and subject to terms and conditions stated in the grant letters.

21 RELATED PARTY TRANSACTIONS

Certain of the Board of Directors are directors of JMH or affiliated with the directors of JMH. Dividend income of HK\$44,134,139 (2022:HK\$42,430,705) was received from the investment in JMH. Devon House rent of HK\$1,291,464 was donated from JMH in 2023 and 2022.

KESWICK FOUNDATION LIMITED

England & Wales - Charity number 278449

Accounts

KESWICK FOUNDATION LIMITED
(Registered company number 1422314)
(Registered charity number 278449)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st DECEMBER 2022

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS

Keswick Foundation Limited was incorporated on 23rd May 1979 as a charitable company limited by shares in England. The articles of association of the Company was adopted pursuant to a special resolution of the members of the Company on 24th November 2020. The Directors together with the Executive Committee members who served during 2022 and up to the date of signing the financial statements are listed below. The Articles of Association of the Company allows for a board of not less than two Directors.

Co-founders:

Sir John Keswick
Mrs. Maggie Keswick Jencks

Directors:

Clara Mary WEATHERALL, Chairman
Deming CHEN
Wai Chi CHOW (appointed on 1st November 2022)
Christine Meng Sang FANG (resigned on 15th March 2022)
Francine Wing Ting FU KWONG
Kathryn Mary GREENBERG
Stacey Anne HILDEBRANDT
Ivor Cosimo JENCKS
Lily Clare JENCKS
Benjamin William KESWICK
Clare Jane KESWICK
Martha KESWICK
Christophe Kin Ping LEE
Stephen Charles LI
Neil Michael MCNAMARA
Evelyn Lee Hough PARR (resigned on 23rd December 2022)
Marcus Joytak SHAW (resigned on 15th March 2022)
Angelina Woon Ki YUEN TSANG
Michael Yuen-jen YAO

Executive Committee:

Angelina Woon Ki YUEN TSANG, Chairman
Martha KESWICK
Deming CHEN
Wai Chi CHOW (appointed on 1st November 2022)
Christine Meng Sang FANG (resigned on 15th March 2022)
Francine Wing Ting FU KWONG
Kathryn Mary GREENBERG
Stacey Anne HILDEBRANDT
Ivor Cosimo JENCKS
Christophe Kin Ping LEE
Stephen Charles LI
Neil Michael MCNAMARA
Evelyn Lee Hough PARR (resigned on 23rd December 2022)
Michael Yuen-jen YAO

Company Secretary:

Jonathan Lloyd

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS (CONTINUED)

Principal place of business:

25th Floor, Devon House
Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

Independent auditors:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London WC2N 6RH
United Kingdom

Bankers:

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

BNP Paribas Hong Kong Branch
63/F, Two Int'l Finance Centre
8 Finance Street Central
Hong Kong

Butterfield Trust (Bermuda) Limited
65 Front Street
Hamilton HM 12
Bermuda

Registered office:

3 Lombard Street
London EC3V 9AQ
England

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT

The Directors of the Company, who are also the trustees for the purpose of UK Charity Law, submit their annual report and the Company's audited financial statements for the financial year ended 31st December 2022.

The annual report and financial statements for the year ended 31st December 2022 have been prepared on a going concern basis, under the historical cost convention as modified by revaluation of investments, in compliance with the Companies Act 2006, the Charities Act 2011, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS102 as revised in 2019 ("the SORP 2019"). The principal accounting policies, which have been applied consistently throughout the year, including changes arising on the adoption of Charities SORP ("FRS 102").

Organisational Structure

The Board of Directors oversees the management, policy and planning of the Company. The projects and their funding have to be reviewed and approved by the Executive Committee to ensure proper allocation of resources. Fanny Wong, the Executive Director, who is an employee of the Company, provides supporting services to the administration office of the Company and funding projects.

the Company is registered as a charity (registered number: 278449) under the Charities Act 2011. The objects of the Company are to help to support those in need in Hong Kong and mainland China by assisting pilot projects relating to human welfare.

Objectives and Activities for the Public Benefit

When reviewing the Company's activities, the Directors have taken into consideration of the Charity Commission's guidance on public benefit disclosure and believe the activities of the Company inherently meet the requirements given the nature of grants awarded to other charitable organisations.

the Company's mission is to support, nurture and promote charitable bodies that address social needs in Hong Kong and mainland China. the Company funds pilot projects/new services and long-term strategic initiatives. The projects that fill service gaps and address specific social needs would also be considered. the Company funding may cover recurrent, programme, or, exceptionally, capital costs.

The nature of services to be focused on by the Company includes elderly, youth/children, family and disability.

Grant Making Policy

The Executive Committee is responsible for approving the funding applications and will look at new funding applications throughout the year. In 2011, the Company adopted a new policy to help maintain the efficiency of the assessment process. All new applications will be firstly screened through vetting meetings formed by at least 3 Executive Committee Members. The objectives of the vetting meeting are (a) to turn down irrelevant applications; (b) to approve certain straight forward applications, each project under HK\$500,000 per year; and (c) to make recommendations for further consideration by the Executive Committee of projects determined to be worthwhile. Those shortlisted proposals will be submitted to the Executive Committee for consideration and approval.

Achievements and Performance

In 2022, the Company donated a total of HK\$29.7 million (2021: HK\$20.8 million) for 38 charity projects (2021: 41 charity projects) in Hong Kong and mainland China.

The projects covered a wide range of services, such as support for disadvantaged families, frail older adults as well as capacity building for professionals in Hong Kong. Here are some of the highlights:

- With funding of HK\$6,607,272, a project has enhanced the well-being of sub-divided flat residents through the establishment of a community hub which allows service users to cook, do laundry and network.
- the Company has committed HK\$5,721,000 to provide stair climbing service, healthy lifestyle encouragement training, meal delivery and escort services for frail elderly residents living in barrier buildings.
- The amount of HK\$5,871,765 has been committed to build up the capacity of social workers in Hong Kong by setting up a continuing professional development system.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Achievements and Performance (continued)

- KF has committed HK\$1,049,100 to support a three-year project of World Vision China Foundation to increase protection of 3 – 6 years old children from unintentional injuries of road traffic injury, fall and drowning in rural counties of Shaanxi and Jiangxi, China.

Financial Position

the Company had a net surplus for the year of HK\$9,899,524 (2021: net surplus of HK\$11,172,018). After taking into consideration of net loss of revaluation of investments of HK\$82,345,522 (2021: HK\$13,109,717), the Company had a net deficit for the year of HK\$72,445,998 (2021: HK\$1,937,699).

Dividend income from investments for 2022 amounted to HK\$42,430,705 (2021: HK\$34,222,467). During the year, the Company made grants of HK\$29,662,468 (2021: HK\$20,833,482).

Under the Company's Memorandum of Association, the income and property of the Company shall be applied solely towards the promotion of its objects and no portion shall be paid or transferred, directly or indirectly by way of dividend, bonus or profit to members of the Company. Furthermore, no member of the board shall be paid salary or fees or receive any remuneration or other benefit in money or money's worth from the Company except for the reasonable payment of expenses.

Investment Policy and Performance against the Policy

In furtherance of the objects, the Company may invest the monies of the Company not immediately required in or on such investments, securities or property as may be thought fit, provided such consent and conditions as required by laws have been obtained and fulfilled.

The Directors determine the acquisitions and disposals of investments in order to maintain the income required for the charitable projects. In accordance with the instructions of the founders, the shares in Jardine Matheson Holdings Limited ("JMHS"), which are held within the Endowment Fund, are the only investments held by the Company in that Fund. Such investments are to be kept intact and only the income from these investments will be used by the Company to distribute to charities and other organisations of its choice. For investments held in unrestricted funds, dividends and sales proceeds received from the shares continue to provide the income to enable the Company to carry out its charitable activities. The Directors periodically review the performance of the portfolio to ensure that it continues to provide the most appropriate investment for the Company's requirements.

Risks faced by the Charity

The Directors are responsible for the identification and management of risks, and have taken steps to ensure that controls are in place to mitigate them. There is market price risk in association with the investment of the Company. However, the Directors consider the investment to be low risk and highly regarded when compared with benchmark investment indices. Review of the risks is conducted regularly to monitor the controls in place and the performance of JMHS shares is reviewed annually by the Directors. The Company is also exposed to liquidity risk in respect of the payments of committed projects, but it manages its liquidity requirements through maintaining sufficient cash and disposal of investments when additional cash is required.

Reserves

Most of the Company's funds are held either as a permanent endowment or as funds designated for specific purposes. The Company's policy is to maintain a minimum level of non-designated unrestricted funds equal to six months' general expenditure. At the year-end, unrestricted funds which have not been designated amounted to HK\$42,724,759 (2021: HK\$40,247,707). The reserves policy is reviewed regularly by the Directors and last reviewed on 31st December 2022.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' Appointments

The first Directors were appointed by the subscribers.

the Company may, by ordinary resolution, appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director. The Directors may also appoint a person who is willing to act as an additional Director.

On appointment, the chairman of the Executive Committee will have a briefing session with the new Director on board to explain his/her roles and responsibilities.

The current Directors, and those who served during the year, are listed on page 1.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the SORP 2019;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditors

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The members amended the Articles of Association on 16th April 2020 inter alia, dispensing with the requirement of holding Annual General Meetings and approved that the auditors of the Company will automatically be deemed re-appointed unless sufficient members have given notice to the Company under section 488 of the Companies Act.

On behalf of the Board



Angelina Woon Ki YUEN TSANG
Director

HONG KONG, 29th June 2023

Independent auditors' report to the members of Keswick Foundation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Keswick Foundation Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the statement of financial activities, the summary income and expenditure account, and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Independent auditors' report to the members of Keswick Foundation Limited (Continued)

Report on the audit of the financial statements

Reporting on other information (Continued)

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, the Charities Act 2011 and applicable tax laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to misstate results and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing relevant meeting minutes;
- evaluating assumptions and judgements made by management in determining key accounting estimates and judgement, in particular in relation to the valuation of investments;
- As in all of our audits we also addressed the risk of management override of internal controls, including testing journals, and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Independent auditors' report to the members of Keswick Foundation Limited (Continued)

Report on the audit of the financial statements

Responsibilities for the financial statements and the audit (Continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

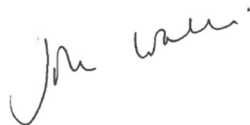
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



John Waters (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 June 2023

KESWICK FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

		Unrestricted Funds	Permanent Endowment Fund	Total Funds	Total Funds
	Note	2022 HK\$	2022 HK\$	2022 HK\$	2021 HK\$
Donations		245,250	-	245,250	225,000
Investment income	3	42,430,705	-	42,430,705	34,222,467
Interest income		854,857	-	854,857	129,291
Total income		<u>43,530,812</u>	<u>-</u>	<u>43,530,812</u>	<u>34,576,758</u>
Expenditure on raising funds		(6,864)	-	(6,864)	(10,044)
Expenditure on charitable activities	4	(32,744,107)	-	(32,744,107)	(23,781,448)
Total expenditure		<u>(32,750,971)</u>	<u>-</u>	<u>(32,750,971)</u>	<u>(23,791,492)</u>
Total		10,779,841	-	10,779,841	10,785,266
Net foreign exchange (loss)/gain		(880,317)	-	(880,317)	386,752
Net revaluation loss on Investments	11	-	(82,345,522)	(82,345,522)	(13,109,717)
Net surplus/(deficit)		<u>9,899,524</u>	<u>(82,345,522)</u>	<u>(72,445,998)</u>	<u>(1,937,699)</u>
Net movement in funds		9,899,524	(82,345,522)	(72,445,998)	(1,937,699)
Fund balances brought forward		61,123,758	1,099,181,708	1,160,305,466	1,162,243,165
Fund balances carried forward		<u>71,023,282</u>	<u>1,016,836,186</u>	<u>1,087,859,468</u>	<u>1,160,305,466</u>

All amounts relate to continuing operation. There were no recognised gains or losses and therefore no separate statement of recognised gains and losses has been presented.

The notes on page 14 to 19 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	2022 HK\$	2021 HK\$
Total income	<u>43,530,812</u>	<u>34,576,758</u>
Cost of generating funds	(6,864)	(10,044)
Cost of grant making	(32,498,857)	(23,556,448)
Governance costs	<u>(245,250)</u>	<u>(225,000)</u>
	<u>(32,750,971)</u>	<u>(23,791,492)</u>
Net foreign exchange (loss)/gain	(880,317)	386,752
Net surplus of the year	<u><u>9,899,524</u></u>	<u><u>11,172,018</u></u>

The notes on page 14 to 19 form part of these financial statements.

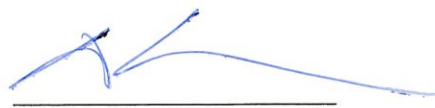
KESWICK FOUNDATION LIMITED

BALANCE SHEET
AS AT 31ST DECEMBER 2022

	Note	2022 HK\$	2021 HK\$
Fixed assets			
Investments	11	<u>1,016,834,799</u>	<u>1,099,180,321</u>
Current assets			
Debtors	12	661,122	1,380,160
Short-term cash deposits	13	60,797,837	-
Cash at bank and in hand		10,093,659	59,773,638
Total current assets		<u>71,552,618</u>	<u>61,153,798</u>
Current liabilities			
Accruals and other payables	14	<u>(527,949)</u>	<u>(28,653)</u>
Net current assets		<u>71,024,669</u>	<u>61,125,145</u>
Total assets less current liabilities		<u>1,087,859,468</u>	<u>1,160,305,466</u>
Net assets		<u>1,087,859,468</u>	<u>1,160,305,466</u>
Funds:			
Permanent endowment funds	15	15,370,847	15,370,847
Revaluation reserve	16	<u>1,001,465,339</u>	<u>1,083,810,861</u>
		<u>1,016,836,186</u>	<u>1,099,181,708</u>
Unrestricted funds:			
Called up share capital	17	1,102	1,102
Designated funds	18	28,298,523	20,876,051
Other charitable funds	18	42,723,657	40,246,605
		<u>71,023,282</u>	<u>61,123,758</u>
Total Funds	19	<u>1,087,859,468</u>	<u>1,160,305,466</u>

The financial statements on pages 10 to 19 were approved by the Board on 29th June 2023 and signed on its behalf by :


Angelina Woon Ki YUEN TSANG
DIRECTOR


Neil Michael MCNAMARA
DIRECTOR

The notes on page 14 to 19 form part of these financial statements.

KESWICK FOUNDATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022 HK\$	2021 HK\$
Cash flows from operating activities :		
Net surplus	9,899,524	11,172,018
Net foreign exchange loss/(gain)	880,317	(386,752)
Investment income	(42,430,705)	(34,222,467)
Interest income	(854,857)	(129,291)
Decrease/(increase) in debtors	1,368,250	(810,636)
Increase/(decrease) in accruals and other payables	499,296	(73,330)
Net cash used in operating activities	<u>(30,638,175)</u>	<u>(24,450,458)</u>
Cash flows from investing activities		
Dividends received	42,430,705	34,222,467
Increase in short-term cash deposits	(60,797,837)	-
Interest received	205,645	137,996
Net cash (used in)/provided by investing activities	<u>(18,161,487)</u>	<u>34,360,463</u>
Change in cash and cash equivalents due to exchange rate movements	(880,317)	386,752
Change in cash and cash equivalents in the reporting period	<u>(49,679,979)</u>	<u>10,296,757</u>
Cash and cash equivalents at the beginning of the reporting period	59,773,638	49,476,881
Cash and cash equivalents at the end of the reporting period	<u>10,093,659</u>	<u>59,773,638</u>

The notes on page 14 to 19 form part of these financial statements.

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’) and with the Statement of Recommended Practice ‘Accounting and Reporting by Charities’ FRS 102 as revised in 2019 (‘the SORP 2019’), together with the reporting requirements of the Companies Act 2006, and the Charities Act 2011. The Company has adapted the Companies Act formats to reflect SORP 2019 and the special nature of the Company’s activities.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed investments.

The financial statements have been prepared on the going concern basis. There are no material uncertainties about the Company’s ability to continue operating as a going concern. The accounting policies have been applied consistently throughout the financial statements and the prior year.

(b) Revenue recognition

Dividend income from investments is recognised when the dividend is received.

Interest income is recognised on a time apportioned basis.

Donations in kind are included in the financial statements at their value to the charity estimated by the Directors, unless it is not possible to quantify that value. Donations in kind are credited to revenue on a receivable basis.

(c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under appropriate headings in the financial statements.

Cost of generating funds represents bank charges for administration of investments. Costs of charitable activities include grants made and support costs as shown in note 4. Governance costs comprise all costs involving the public accountability of the Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

(d) Grants

Grants are included in the statement of financial activities in the accounting period in which they are approved by the Executive Committee as unconditional. Grants approved which have conditions attached are initially recorded as commitments and are only included in the statement of financial activities when the conditions have been met.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank and other short-term highly liquid investment with original maturities of three months or less and bank overdrafts.

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (continued)

(f) Investments

Investments are stated at fair value.

Realised and unrealised gains or losses on investments are accounted for within the fund that owns the investments.

(g) Funds

the Company maintains the following types of funds:

Permanent endowment funds which comprises gifts from donors where the donor has specified that the capital must be retained in perpetuity but the income earned on it is for the general use of the charity. Such income is credited to unrestricted funds.

Designated funds are unrestricted funds earmarked by the Directors for specific purposes.

Other unrestricted funds represents all other funds, which can be used by the Directors for any purpose to further the charity's objectives.

(h) Pension

the Company's contributions to the Mandatory Provident Fund (the "MPF") are expensed as incurred and are 100% vested in the employees as soon as they are paid to the MPF. the Company contributes 10% of the employees' gross salary. The MPF is a defined contribution retirement scheme administered by independent trustees. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(i) Translation of foreign currencies

the Company's functional currency is Hong Kong dollars. Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the statement of financial activities.

(j) Comparative figures

Certain comparative figures have been reclassified to conform with the current year presentation.

2 CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

the Company makes assumptions, estimates, judgements in the process of applying the Company's accounting policies that affect the assets, liabilities, income and expenditure in the financial statements prepared in accordance with the Charities SORP 2019. The assumptions, estimates and judgements are based on historical evidence and other factors that are believed to be reasonable under circumstances. While the Directors review their judgements, estimates and assumptions continuously, the actual result will seldom be equal to the estimates.

3	INVESTMENT INCOME		2022	2021
			HK\$	HK\$
	Dividend from Jardine Matheson Holdings Limited		<u>42,430,705</u>	<u>34,222,467</u>
4	CHARITABLE ACTIVITIES		2022	2021
		Note	HK\$	HK\$
	Grants paid	5	29,662,468	20,833,482
	Support costs	6	3,081,639	2,947,966
			<u>32,744,107</u>	<u>23,781,448</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 GRANTS PAID

Grants paid are payments made to specific charitable projects as approved by the Directors. The following is a list of grants paid during the year:-

<u>Name of recipient</u> (each recipient below received one grant except where detailed):	2022 HK\$	2021 HK\$
Caritas Hong Kong	364,470	485,957
Children's Heart Foundation	381,600	248,800
China Coast Community - Occupational Therapy Services	58,500	70,200
Christian Fellowship of Pastoral Care for Youth Ltd	166,667	-
Ebenezer New Hope School	-	699,640
Evangelical Lutheran Church of Hong Kong	1,658,307	-
Fullness Social Enterprises Society Ltd	1,377,000	656,000
Hong Chi Association	496,830	615,909
Hong Kong Lutheran Social Service, Lutheran Church	237,883	-
Hong Kong Social Workers Association	2,018,381	1,343,200
Just Feel Limited	899,534	143,733
Maggie's Cancer Caring Centre	1,000,000	880,600
Methodist HK	260,499	228,333
Mother's Choice	-	547,500
Mother's Choice - Project Bridge	697,697	189,050
PMA Music Foundation Ltd	157,985	144,872
RainLily	-	693,647
Run Hong Kong Ltd	-	250,000
Teen's Key - Young Women Development Network Limited	90,772	-
The Hong Kong Polytechnic University - SLLO	2,698,150	-
- DISI	495,200	-
The Society for Community Organisation	-	737,385
The University of Hong Kong - Centre on Behavioural Health	-	385,673
- CSR	-	1,601,601
- DSWSA Pet Project	-	455,392
- Dept of Social Work	-	217,315
- Developing Team Work	-	109,606
- SWSA2	242,949	-
The Hong Kong Baptist University - SWSA2	242,949	-
Uplifters	166,808	166,807
Yang Memorial Methodist Social Service Mongkok Integrated Family Service Centre	-	1,240,258
Champion for Change Award I - Christian Family Service	-	50,000
- CNEC Lui Ming Choi Primary School	-	100,000
- The Hong Kong Council of Social Service	-	83,500
- HKCSS	50,000	-
Champion for Change Award II - HKSWA	1,677,350	-
Counselling Services Scheme - Evangel Children's Home	154,382	405,943
- Home Care for Girls	-	211,387
- Hong Kong Christian Services	219,147	414,359
- The Boys' & Girls' Clubs Association of HK	172,383	410,151
Covid-19 Project Fund (Round II)	136,246	1,810,761
Covid-19 Project Fund (Round III)	2,989,503	-
Recognition Award	90,000	90,000
<u>China Project</u>		
CASWE - 3 year Projects	169,495	394,989
CASWE - Covid Short-term Fund	1,254,220	-
China Social Work Project Fund III - Projects	2,451,072	1,162,224
- Monitoring Expenses	-	110,721
China Academy of Social Work	2,271,840	-
The Hong Kong Polytechnic University - RS	1,112,230	492,660
- APPS (DSW)	766,320	-
- APPS (New Generation of Social Work Teachers)	1,301,277	2,140,325
- APPS (Social Work Station - Training Series)	472,335	-
Shaanxi Jia Yuen Hui Social Work Service Centre	149,791	167,750
World Vision China Foundation Ltd - Happy Kids	289,667	357,527
World Vision China Foundation Ltd - Guarding the Futures	848,971	-
Yang Ai	257,107	465,096
Refund of unused amount from completed projects	(883,049)	(145,389)
	<u>29,662,468</u>	<u>20,833,482</u>

the Company has not awarded any grants to individuals during 2022 (2021: nil).

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 SUPPORT COSTS	Note	2022 HK\$	2021 HK\$
Staff costs	7	2,647,689	2,561,874
Printing and stationery		5,706	3,258
Website		1,857	2,876
Office equipment expensed		14,980	16,200
Travelling expenses		2,027	6,894
Audit fee		245,250	225,000
Sundry expenses		164,130	131,864
		<u>3,081,639</u>	<u>2,947,966</u>

All support costs have been allocated to charitable activities.

7 STAFF COSTS	2022 HK\$	2021 HK\$
Wages and salaries	2,408,880	2,346,045
Other pension costs	238,809	215,829
	<u>2,647,689</u>	<u>2,561,874</u>

One employee's emolument (2021: nil) fell within the band GBP70,000 - GBP80,000 and one (2021:1) fell within the band GBP80,000 - GBP90,000.

The average number of full-time equivalent employees during the year was 4 (2021: 4).

Defined contribution pension plan of HK\$29,799 remains unpaid as at 31st December 2022 (2021: HK\$28,653).

The above numbers do not include Directors who are not permitted to receive remuneration for their duties.

8 DIRECTORS' REMUNERATION

None of the Directors received any remuneration or reimbursement of expenses in respect of their services rendered to the Company during the year (2021: nil).

9 REMUNERATION OF THE AUDITORS

The audit fee of HK\$245,250 (2021:HK\$225,000) is derived from the audit hours incurred and hourly charge out rate. As the auditors have waived the fee, an amount to offset the nominal charge has been treated as a donation service and credited to the income and expenditure account.

10 TAXATION

the Company is exempted from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance (Cap. 112).

the Company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, carried on in furtherance of the Company's primary objectives, if these profits are applied solely for charitable purposes.

No United Kingdom corporation tax liability arises for the year (2021: nil).

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 INVESTMENTS

Investments represent shares in Jardine Matheson Holdings Limited ("JMH"), a company listed on the London Stock Exchange.

	2022 HK\$	2021 HK\$
Movements for the year:		
At 1st January	1,099,180,321	1,112,290,038
Net revaluation loss	(82,345,522)	(13,109,717)
At 31st December	<u>1,016,834,799</u>	<u>1,099,180,321</u>
Historical cost as at 31st December	<u>15,369,460</u>	<u>15,369,460</u>
Revaluation gains at 31st December	<u>1,001,465,339</u>	<u>1,083,810,861</u>

The above unrealised gain relates to the endowment fund. The Directors believe that the carrying value of the investment is supported by its underlying net assets.

12 DEBTORS

	2022 HK\$	2021 HK\$
Interest receivable	660,294	11,082
Cash advances	828	1,369,078
	<u>661,122</u>	<u>1,380,160</u>

Interest received arises from USD short-term deposits amounting to HK\$60,797,837 as at 31st December 2022 (2021: HK\$29,354,216) and the interest rate obtained in 2022 is 0.17% - 4.78% (2021: 0.03% - 0.48%)

Cash advances mainly represent prepaid grants. As of 31 December 2021, HK\$1,368,175 was prepaid to The Hong Kong Polytechnic University for the Capacity Building Scheme. The prepaid grant has been recognised as grants paid in 2022.

13 SHORT-TERM CASH DEPOSIT

	2022 HK\$	2021 HK\$
At 31st December	<u>60,797,837</u>	<u>-</u>

14 ACCRUALS AND OTHER PAYABLES

	2022 HK\$	2021 HK\$
Hong Kong Lutheran Social Service, Lutheran Church	237,883	-
Teen's Key - Young Women Development Network Limited	90,772	-
China Project - CASWE	169,495	-
Employer's contribution of MPF expenses	29,799	28,653
	<u>527,949</u>	<u>28,653</u>

15 PERMANENT ENDOWMENT FUNDS

Permanent endowment funds of the Company represent the JMH shares accepted by the Directors as a gift on 19th October 1979 and 4th December 2000. The value of the shares received on those dates were HK\$15,250,000 and HK\$120,847 respectively. The Directors hold this investment as a fund to provide income for the charitable purpose of the Company and this amount has therefore been credited to capital reserves.

16 REVALUATION RESERVE

	2022 HK\$	2021 HK\$
At 1 January 2022	1,083,810,861	1,096,920,578
Net revaluation loss during the year	(82,345,522)	(13,109,717)
At 31st December 2022	<u>1,001,465,339</u>	<u>1,083,810,861</u>

17 CALLED UP SHARE CAPITAL

	2022 HK\$	2021 HK\$
Authorised, allotted and fully paid: 100 (2021: 100) ordinary shares of £1 each	<u>1,102</u>	<u>1,102</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 DESIGNATED FUNDS AND OTHER CHARITABLE FUNDS

The unrestricted funds of the Company represent the accumulated net income and unrealised gains on revaluation of investments which are not related to the permanent endowment funds. The unrestricted funds are further classified as designated funds for specific charitable projects which are approved by the Directors and other charitable funds.

	2022 HK\$	2021 HK\$
<u>Designated funds</u>		
At 1st January	20,876,051	15,952,366
Designations	37,084,940	25,757,167
Utilised during the year	(29,662,468)	(20,833,482)
At 31st December	<u>28,298,523</u>	<u>20,876,051</u>

	2022 HK\$	2021 HK\$
<u>Other charitable funds</u>		
At 1st January	40,246,605	33,998,272
Net incoming resources before revaluations and grants paid	39,561,992	32,005,500
Designations	(37,084,940)	(25,757,167)
At 31st December	<u>42,723,657</u>	<u>40,246,605</u>

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2022 HK\$	Permanent endowment funds 2022 HK\$	Total funds 2022 HK\$
Investments	-	1,016,834,799	1,016,834,799
Current assets	71,551,231	1,387	71,552,618
Current liabilities	(527,949)	-	(527,949)
Net assets	<u>71,023,282</u>	<u>1,016,836,186</u>	<u>1,087,859,468</u>
	2021 HK\$	2021 HK\$	2021 HK\$
Investments	-	1,099,180,321	1,099,180,321
Current assets	61,152,411	1,387	61,153,798
Current liabilities	(28,653)	-	(28,653)
Net assets	<u>61,123,758</u>	<u>1,099,181,708</u>	<u>1,160,305,466</u>

20 COMMITMENTS

	2022 HK\$	2021 HK\$
Within one year	28,298,523	20,876,051
Between one and five years	20,738,950	22,506,189
	<u>49,037,473</u>	<u>43,382,240</u>

Of the commitments within one year at 31st December 2021, HK\$17,871,002 was paid during the year.

These commitments are grants approved by the Executive Committee, donate to organisations and subject to terms and conditions stated in the grant letters.

21 RELATED PARTY TRANSACTIONS

Certain of the Board of Directors are directors of JMH or affiliated with the directors of JMH. Dividend income of HK\$42,430,705 (2021:HK\$34,222,467) was received from the investment in JMH.

KESWICK FOUNDATION LIMITED

England & Wales - Charity number 278449

Accounts

KESWICK FOUNDATION LIMITED
(Registered company number 1422314)
(Registered charity number 278449)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st DECEMBER 2021

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS

Keswick Foundation Limited was incorporated on 23rd May 1979 as a charitable limited company in England. The articles of association of the company was adopted pursuant to a special resolution of the members of the company on 24th November 2020. The Directors together with the Executive Committee members who served during 2021 and up to the date of signing the financial statements are listed below. The Articles of Association of the company allows for a board of not less than two Directors.

Co-founders:

Sir John Keswick
Mrs. Maggie Keswick Jencks

Directors:

Clara Mary WEATHERALL, Chairman
Deming CHEN
Christine Meng Sang FANG (resigned on 15th March 2022)
Francine Wing Ting FU KWONG
Kathryn Mary GREENBERG
Stacey Anne HILDEBRANDT
Ivor Cosimo JENCKS
Lily Clare JENCKS
Benjamin William KESWICK
Clare Jane KESWICK
Martha KESWICK
Christophe Kin Ping LEE
Stephen Charles LI
Neil Michael MCNAMARA
Evelyn Lee Hough PARR
Marcus Joytak SHAW (resigned on 15th March 2022)
Angelina Woon Ki YUEN TSANG
Michael Yuen-jen YAO

Executive Committee:

Angelina Woon Ki YUEN TSANG, Chairman
Martha KESWICK
Deming CHEN
Christine Meng Sang FANG
Francine Wing Ting FU KWONG
Kathryn Mary GREENBERG
Stacey Anne HILDEBRANDT
Ivor Cosimo JENCKS
Christophe Kin Ping LEE
Stephen Charles LI
Neil Michael MCNAMARA
Evelyn Lee Hough PARR
Michael Yuen-jen YAO

Company Secretaries:

Jonathan Lloyd

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS (CONTINUED)

Principal place of business:

25th Floor, Devon House
Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

Independent auditors:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London WC2N 6RH
United Kingdom

Bankers:

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

BNP Paribas Hong Kong Branch
63/F, Two Int'l Finance Centre
8 Finance Street Central
Hong Kong

Butterfield Trust (Bermuda) Limited
65 Front Street
Hamilton HM 12
Bermuda

Registered office:

3 Lombard Street
London EC3V 9AQ
England

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT

The Directors of the company, who are also the trustees for the purpose of UK Charity Law, submit their annual report and the company's audited financial statements for the financial year ended 31st December 2021.

The annual report and financial statements for the year ended 31st December 2021 have been prepared on a going concern basis, under the historical cost convention as modified by revaluation of investments, in compliance with the Companies Act 2006, the Charities Act 2011, the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), and with UK Generally Accepted Accounting Practice. The principal accounting policies, which have been applied consistently throughout the year, including changes arising on the adoption of Charities SORP (FRS102).

Organisational Structure

The Board of Directors oversees the management, policy and planning of the company. The projects and their funding have to be reviewed and approved by the Executive Committee to ensure proper allocation of resources. Fanny Wong, the Executive Director, who is an employee of the company, provides supporting services to the administration office of the company and funding projects.

The company is registered as a charity (registered number: 278449) under the Charities Act 2011. The objects of the company are to help to support those in need in Hong Kong and mainland China by assisting pilot projects relating to human welfare.

Objectives and Activities for the Public Benefit

When reviewing the company's activities, the Directors have taken into consideration of the Charity Commission's guidance on public benefit disclosure and believe the activities of the company inherently meet the requirements given the nature of grants awarded to other charitable organisations.

The company's mission is to support, nurture and promote charitable bodies that address social needs in Hong Kong and mainland China. The company funds pilot projects/new services and long-term strategic initiatives. The projects that fill service gaps and address specific social needs would also be considered. The company funding may cover recurrent, programme, or, exceptionally, capital costs.

The nature of services to be focused on by the company includes elderly, youth/children, family and disability.

Grant Making Policy

The Executive Committee is responsible for approving the funding applications and will look at new funding applications throughout the year. In 2011, the company adopted a new policy to help maintain the efficiency of the assessment process. All new applications will be firstly screened through vetting meetings formed by at least 3 Executive Committee Members. The objectives of the vetting meeting are (a) to turn down irrelevant applications; (b) to approve certain straight forward applications, each project under HK\$500,000 per year; and (c) to make recommendations for further consideration by the Executive Committee of projects determined to be worthwhile. Those shortlisted proposals will be submitted to the Executive Committee for consideration and approval.

Achievements and Performance

In 2021, the company donated a total of HK\$20.8 million (2020: HK\$24.2 million) for 41 charity projects (2020: 49 charity projects) in Hong Kong and mainland China.

The projects covered a wide range of services, such as support for disadvantaged youth, primary school students as well as Parkinson's patients. Here are some of the highlights:

- The company has committed HK\$4,257,600 to support a four-year project of Just Feel. This project aims to enhance students' social emotional well-being by transforming the communication culture in schools and families.
- With a funding of HK\$4,620,000, Fullness Social Enterprises Society has launched a three-year project to support disadvantaged youth to develop higher motivation and acquire hands-on job skills.
- KF has committed a two-year funding, HK\$531,798, for Methodist Centre to modify the service model, combing face-to-face assessments and tele-rehabilitation sessions, to address speech problems of Parkinson's patients and their carers.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Achievements and Performance (continued)

- KF has committed HK\$1,049,100 to support a three-year project of World Vision China Foundation to increase protection of 3 – 6 years old children from unintentional injuries of road traffic injury, fall and drowning in rural counties of Shaanxi and Jiangxi, China.

Financial Position

The company had net profit for the year of HK\$11,172,018 (2020: net profit HK\$7,651,368). After taking into consideration of net loss on revaluation of investments of HK\$13,109,717 (2020: net profit HK\$3,414,779), the company had a net deficit for the year of HK\$1,937,699 (2020: net surplus HK\$11,066,147).

Dividend income from investments for 2021 amounted to HK\$34,222,467 (2020: HK\$34,166,504). During the year the company made grants of HK\$20,833,482 (2020: HK\$24,169,633).

Under the company's Memorandum of Association, the income and property of the company shall be applied solely towards the promotion of its objects and no portion shall be paid or transferred, directly or indirectly by way of dividend, bonus or profit to members of the company. Furthermore, no member of the board shall be paid salary or fees or receive any remuneration or other benefit in money or money's worth from the company except for the reasonable payment of expenses.

Investment Policy and Performance against the Policy

In furtherance of the objects, the company may invest the monies of the company not immediately required in or on such investments, securities or property as may be thought fit, provided such consent and conditions as required by laws have been obtained and fulfilled.

The Directors determine the acquisitions and disposals of investments in order to maintain the income required for the charitable projects. In accordance with the instructions of the founders, the shares in Jardine Matheson Holdings Limited ("JMHI"), which are held within the Endowment Fund, are the only investments held by the company in that Fund. Such investments are to be kept intact and only the income from these investments will be used by the company to distribute to charities and other organisations of its choice. For investments held in Unrestricted Funds, dividends and sales proceeds received from the shares continue to provide the income to enable the company to carry out its charitable activities. The Directors periodically review the performance of the portfolio to ensure that it continues to provide the most appropriate investment for the company's requirements.

Risks faced by the Charity

The Directors are responsible for the identification and management of risks, and have taken steps to ensure that controls are in place to mitigate them. There is market price risk in association with the investment of the company. However, the Directors consider the investment to be low risk and highly regarded when compared with benchmark investment indices. Review of the risks is conducted regularly to monitor the controls in place and the performance of JMHI shares is reviewed annually by the Directors. The company is also exposed to liquidity risk in respect of the payments of committed projects, but it manages its liquidity requirements through maintaining sufficient cash and disposal of investments when additional cash is required.

Reserves

Most of the company's funds are held either as a permanent endowment or as funds designated for specific purposes. The company's policy is to maintain a minimum level of non-designated unrestricted funds equal to six months' general expenditure. At the year-end, unrestricted funds which have not been designated amounted to HK\$40,247,707 (2020: HK\$33,999,374). The reserves policy is reviewed from time to time by the Directors.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' Appointments

The first Directors were appointed by the subscribers.

The company may, by ordinary resolution, appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director. The Directors may also appoint a person who is willing to act as an additional Director.

On appointment, the chairman of the Executive Committee will have a briefing session with the new Director on board to explain his/her roles and responsibilities.

The current Directors, and those who served during the year, are listed on page 1.

Statement of Directors' Responsibilities

The Directors (who are also trustees of Keswick Foundation Limited for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditors

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The members amended the Articles of Association on 16th April 2020 inter alia, dispensing with the requirement of holding Annual General Meetings and approved that the auditors of the company will automatically be deemed re-appointed unless sufficient members have given notice to the company under section 488 of the Companies Act.

On behalf of the Board


Angelina Woon Ki YUEN TSANG
Director

HONG KONG, 31st August 2022

Independent auditors' report to the members of Keswick Foundation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Keswick Foundation Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its 'incoming resources and application of resources, including its income and expenditure, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2021; the statement of financial activities (incorporating a summary income and expenditure account), the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and applicable tax laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to misstate results and management bias in accounting estimates and judgemental areas of the financial statement. Audit procedures performed by the engagement team included:

- discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing relevant meeting minutes;
- evaluating assumptions and judgements made by management in determining key accounting estimates and judgement, in particular in relation to the valuation of investments;
- As in all of our audits we also addressed the risk of management override of internal controls, including testing journals, and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



John Waters (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 August 2022

KESWICK FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

		Unrestricted Funds	Permanent Endowment Fund	Total Funds	Total Funds
	Note	2021 HK\$	2021 HK\$	2021 HK\$	2020 HK\$
Donations		225,000	-	225,000	225,000
Investment income	3	34,222,467	-	34,222,467	34,160,504
Interest income		129,291	-	129,291	311,788
Total income		<u>34,576,758</u>	<u>-</u>	<u>34,576,758</u>	<u>34,703,292</u>
Expenditure on:					
Charitable activities	4	(23,556,448)	-	(23,556,448)	(26,957,939)
Other: Bank charges		(10,044)	-	(10,044)	(6,800)
Audit fee		(225,000)	-	(225,000)	(225,000)
Total expenditure		<u>(23,791,492)</u>	<u>-</u>	<u>(23,791,492)</u>	<u>(27,189,739)</u>
Total		10,785,266	-	10,785,266	7,513,553
Net foreign exchange gain		386,752	-	386,752	137,815
Net revaluation (loss)/gain on Investments	11	-	(13,109,717)	(13,109,717)	3,414,779
Net (expenditure)/income		<u>11,172,018</u>	<u>(13,109,717)</u>	<u>(1,937,699)</u>	<u>11,066,147</u>
Net movement in funds		11,172,018	(13,109,717)	(1,937,699)	11,066,147
Fund balances brought forward		49,951,740	1,112,291,425	1,162,243,165	1,151,177,018
Fund balances carried forward		<u>61,123,758</u>	<u>1,099,181,708</u>	<u>1,160,305,466</u>	<u>1,162,243,165</u>

All amounts relate to continuing operation. There were no recognised gains or losses and therefore no separate statement of recognised gains and losses has been presented.

The notes on page 15 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	2021 HK\$	2020 HK\$
Total income	<u>34,576,758</u>	<u>34,703,292</u>
Cost of generating funds	(10,044)	(6,800)
Cost of grant making	(23,556,448)	(26,957,939)
Governance costs	<u>(225,000)</u>	<u>(225,000)</u>
	<u>(23,791,492)</u>	<u>(27,189,739)</u>
Net foreign exchange gain	386,752	137,815
Net surplus of the year	<u><u>11,172,018</u></u>	<u><u>7,651,368</u></u>

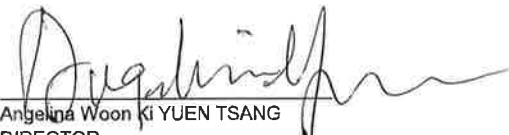
The notes on page 15 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**BALANCE SHEET
AS AT 31ST DECEMBER 2021**

	Note	2021 HK\$	2020 HK\$
Non-current assets			
Investments	11	<u>1,099,180,321</u>	<u>1,112,290,038</u>
Current assets			
Other receivables	12	1,380,160	578,229
Cash at bank and in hand		59,773,638	49,476,881
Total current assets		<u>61,153,798</u>	<u>50,055,110</u>
Current liabilities			
Accruals and other payables	13	<u>(28,653)</u>	<u>(101,983)</u>
Net current assets		<u>61,125,145</u>	<u>49,953,127</u>
Total assets less current liabilities		<u>1,160,305,466</u>	<u>1,162,243,165</u>
Net assets		<u>1,160,305,466</u>	<u>1,162,243,165</u>
Funds:			
Permanent endowment funds	14	15,370,847	15,370,847
Revaluation reserve	15	<u>1,083,810,861</u>	<u>1,096,920,578</u>
		<u>1,099,181,708</u>	<u>1,112,291,425</u>
Unrestricted funds:			
Share capital	16	1,102	1,102
Designated funds	17	20,876,051	15,952,366
Other charitable funds	17	<u>40,246,605</u>	<u>33,998,272</u>
		<u>61,123,758</u>	<u>49,951,740</u>
Total Funds	18	<u>1,160,305,466</u>	<u>1,162,243,165</u>

The financial statements on pages 11 to 20 were approved by the Board on 31st August 2022 and signed on its behalf by:


Angelina Woon Ki YUEN TSANG
DIRECTOR


Martha KESWICK
DIRECTOR

The notes on page 15 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	2021 HK\$	2020 HK\$
Cash flows from operating activities :		
Net Income	11,172,018	7,651,368
Exchange gain	(386,752)	(137,815)
Investment income	(34,222,467)	(34,166,504)
Interest income	(129,291)	(311,700)
Increase in other receivables	(810,636)	(557,618)
Decrease in payables	(73,330)	(89,068)
Net cash used in operating activities	<u>(24,450,458)</u>	<u>(27,611,425)</u>
Cash flows from investing activities		
Dividends received	34,222,467	34,166,504
Interest received	137,996	404,301
Net cash provided by investing activities	<u>34,360,463</u>	<u>34,570,805</u>
Change in cash and cash equivalents due to exchange rate movements	386,752	137,815
Change in cash and cash equivalents in the reporting period	<u>10,296,757</u>	<u>7,097,195</u>
Cash and cash equivalents at the beginning of the reporting period	<u>49,476,881</u>	<u>42,379,686</u>
Cash and cash equivalents at the end of the reporting period	<u><u>59,773,638</u></u>	<u><u>49,476,881</u></u>

The notes on page 15 to 20 form part of these financial statements.

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2019 ('the SORP 2019'), together with the reporting requirements of the Companies Act 2006, and the Charities Act 2011. The Company has adapted the Companies Act formats to reflect SORP 2019 and the special nature of the Company's activities.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed investments.

The financial statements have been prepared on the going concern basis. There are no material uncertainties about the Company's ability to continue operating as a going concern. The accounting policies have been applied consistently throughout the financial statements and the prior year.

(b) Revenue recognition

Dividend income from investments is recognised when the dividend is received.

Interest income is recognised on a time apportioned basis.

Donations in kind are included in the financial statements at their value to the charity estimated by the Directors, unless it is not possible to quantify that value. Donations in kind are credited to revenue on a receivable basis.

(c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under appropriate headings in the financial statements.

Cost of generating funds represents bank charges for administration of investments. Costs of charitable activities include grants made and support costs as shown in note 4. Governance costs comprise all costs involving the public accountability of the company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

(d) Grants

Grants are included in the statement of financial activities in the accounting period in which they are approved by the Executive Committee as unconditional. Grants approved which have conditions attached are initially recorded as commitments and are only included in the statement of financial activities when the conditions have been met.

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (continued)

(e) Investments

Investments are stated at fair value.

Realised and unrealised gains or losses on investments are accounted for within the fund that owns the investments.

(f) Funds

The company maintains the following types of funds:

Permanent endowment funds which comprises gifts from donors where the donor has specified that the capital must be retained in perpetuity but the income earned on it is for the general use of the charity. Such income is credited to unrestricted funds.

Designated funds are unrestricted funds earmarked by the Directors for specific purposes.

Other unrestricted funds represents all other funds, which can be used by the Directors for any purpose to further the charity's objectives.

(g) Pension

The company's contributions to the Mandatory Provident Fund (the "MPF") are expensed as incurred and are 100% vested in the employees as soon as they are paid to the MPF. The company contributes 10% of the employees' gross salary. The MPF is a defined contribution retirement scheme administered by independent trustees. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(h) Translation of foreign currencies

The company's functional currency is Hong Kong dollars. Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the statement of financial activities.

2 CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes assumptions, estimates, judgements in the process of applying the Company's accounting policies that affect the assets, liabilities, income and expenditure in the financial statements prepared in accordance with the Charities SORP 2019. The assumptions, estimates and judgements are based on historical evidence and other factors that are believed to be reasonable under circumstances. While the Directors review their judgements, estimates and assumptions continuously, the actual result will seldom be equal to the estimates.

3 INVESTMENT INCOME

	2021	2020
	HK\$	HK\$
Dividend from Jardine Matheson Holdings Limited	<u>34,222,467</u>	<u>34,166,504</u>

4 CHARITABLE ACTIVITIES

		2021	2020
	Note	HK\$	HK\$
Grants paid	5	20,833,482	24,169,633
Support costs	6	2,722,966	2,788,306
		<u>23,556,448</u>	<u>26,957,939</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 GRANTS PAID

Grants paid are payments made to specific charitable projects as approved by the Directors. The following is a list of grants paid during the year:-

<u>Name of recipient</u> (each recipient below received one grant except where detailed):	2021 HK\$	2020 HK\$
Caritas Hong Kong	485,957	1,129,170
Children's Heart Foundation	248,800	165,900
China Coast Community - Occupational Therapy Services	70,200	70,200
Christian Family Service Centre	-	607,077
Ebenezer New Hope School	699,640	1,068,834
Evangel Children's Home - Counselling Services Scheme	405,943	454,005
Fullness Social Enterprises Society Ltd	656,000	-
Home Care for Girls - Counselling Services Scheme	211,387	456,997
Hong Chi Association	615,909	288,822
Hong Kong Christian Services - Counselling Services Scheme	414,359	459,988
Hong Kong Social Workers Association	1,343,200	1,403,994
Just Feel Limited	143,733	-
Maggie's Cancer Caring Centre	880,600	880,500
Methodist HK	228,333	-
Mother's Choice	547,500	182,500
Mother's Choice - Project Bridge	189,050	-
PMA Music Foundation Ltd	144,872	-
RainLily	693,647	646,267
Recognition Award	90,000	50,000
Run Hong Kong Ltd	250,000	-
Sister of the Good Shepherd - Clinical Psychological	-	250,000
The ABM HK Swatow Baptist Church - Life Enrichment	-	686,447
- School-based Consultation	-	247,400
The Boys' & Girls' Clubs Association of HK - Counselling Services Scheme	410,151	456,997
- Developing Sustainable Services	-	596,840
The Hong Kong Council of Social Service - Champion for Change Award	-	28,125
- Stair Climbing Services	-	953,036
The Hong Kong Council of the Church of Christ in China	-	532,467
The Hong Kong Federation of Youth Groups - Project ISmarter	-	758,911
- Psychological Services	-	227,490
The Society for Community Organisation	737,385	452,589
The University of Hong Kong - Centre on Behavioural Health	385,673	598,095
- CSRP	1,601,601	1,263,540
- DSWSA Pet Project	455,392	-
- Dept of Social Work	217,315	869,215
- Developing Team Work	109,606	373,006
Uplifters	166,807	-
World Vision China Foundation Ltd	357,527	298,144
Yang Memorial Methodist Social Service Mongkok Integrated Family Service Centre	1,240,258	934,894
Champion for Change Award - Caritas Hong Kong	-	165,595
- Christian Family Service	50,000	49,927
- CNEC Lui Ming Choi Primary School	100,000	200,000
- The Hong Kong Council of Social Service	83,500	100,000
- The Boys' & Girls' Clubs Association of Hong Kong	-	167,000
- The Church of United Brethren in Christ Social Service	-	200,000
- The Salvation Army Hong Kong East Integrated Service	-	201,300
- Yan Oi Tong	-	167,000
CASWE - 3 year Projects	394,989	16,840
China Social Work Project Fund I	-	57,895
China Social Work Project Fund II	-	2,238,864
China Social Work Project Fund III - Projects	1,162,224	-
- Monitoring Expenses	110,721	-
The Hong Kong Polytechnic University - Dept of Rehabilitation Sciences	492,660	1,227,812
- New Generation of Social Work Teachers	2,140,325	1,273,413
Yang Ai	465,096	371,720
Shaanxi Jia Yuen Hui Social Work Service Centre	167,750	169,429
Short-term funds (7 projects)	-	704,656
China short-term funds	-	174,337
Covid-19 Project Fund (Round II)	1,810,761	-
Refund of unused amount from completed projects	(145,389)	(707,605)
	<u>20,833,482</u>	<u>24,169,633</u>

The company has not awarded any grants to individuals during 2021 (2020: nil).

KESWICK FOUNDATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6 SUPPORT COSTS**

	Note	2021 HK\$	2020 HK\$
Staff costs	7	2,561,874	2,516,236
Printing and stationery		3,258	10,289
Website		2,876	17,716
Office equipment expensed		16,200	67,534
Travelling expenses		6,894	3,813
40th Anniversary Book		-	13,864
Sundry expenses		131,864	158,854
		<u>2,722,966</u>	<u>2,788,306</u>

All support costs have been allocated to charitable activities.

7 STAFF COSTS

	2021 HK\$	2020 HK\$
Wages and salaries	2,346,045	2,353,250
Other pension costs	215,829	162,986
	<u>2,561,874</u>	<u>2,516,236</u>

The average number of full-time equivalent employees during the year was 4 (2020: 4). One employee's emolument (2020: 1) fell within the band GBP80,000 - GBP90,000 (equivalent to HK\$842,312 - HK\$947,601).

Defined contribution pension plan of HK\$28,653 remains unpaid as at 31st December 2021 (2020: HK\$28,983).

The above numbers do not include Directors who are not permitted to receive remuneration for their duties.

8 DIRECTORS' REMUNERATION

None of the Directors received any remuneration or reimbursement of expenses in respect of their services rendered to the company during the year (2020: nil).

9 REMUNERATION OF THE AUDITORS

The auditors do not charge for the services rendered to the company. The audit fees of HK\$225,000 (2020:HK\$225,000), which is by reference to the audit hours incurred and hourly charge out rate. The audit fees have been included within donations under incoming resources and fees and professional charges under resources expended, to reflect the services are rendered honorary in nature.

10 TAXATION

The company is exempted from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance (Cap. 112).

The company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, carried on in furtherance of the company's primary objectives, if these profits are applied solely for charitable purposes.

No United Kingdom corporation tax liability arises for the year (2020: nil).

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 INVESTMENTS

Investments represent shares in Jardine Matheson Holdings Limited ("JMHS"), a company listed on the London Stock Exchange.

	2021 HK\$	2020 HK\$
Movements for the year:		
At 1st January	1,112,290,038	1,108,875,259
Net revaluation (loss)/gain	(13,109,717)	3,414,779
At 31st December	<u>1,099,180,321</u>	<u>1,112,290,038</u>
Historical cost as at 31st December	<u>15,369,460</u>	<u>15,369,460</u>
Revaluation gains at 31st December	<u>1,083,810,861</u>	<u>1,096,920,578</u>

The above unrealised gain relates to the endowment fund. The Directors believe that the carrying value of the investment is supported by its underlying net assets.

12 OTHER RECEIVABLES

	2021 HK\$	2020 HK\$
Interest receivable	11,082	19,787
Cash advances	1,369,078	558,442
	<u>1,380,160</u>	<u>578,229</u>

13 ACCRUALS AND OTHER PAYABLES

	2021 HK\$	2020 HK\$
Special bonus	-	73,000
Employer's contribution of MPF expenses	28,653	28,983
	<u>28,653</u>	<u>101,983</u>

14 PERMANENT ENDOWMENT FUNDS

Permanent endowment funds of the company represent the JMHS shares accepted by the Directors as a gift on 19th October 1979 and 4th December 2000. The value of the shares received on those dates were HK\$15,250,000 and HK\$120,847 respectively. The Directors hold this investment as a fund to provide income for the charitable purpose of the company and this amount has therefore been credited to capital reserves.

15 REVALUATION RESERVE

	2021 HK\$	2020 HK\$
At 1 January 2021	1,096,920,578	1,093,505,799
Net revaluation (loss)/gain during the year	(13,109,717)	3,414,779
At 31st December 2021	<u>1,083,810,861</u>	<u>1,096,920,578</u>

16 SHARE CAPITAL

	2021 HK\$	2020 HK\$
Authorised, allotted and fully paid:		
100 (2020: 100) ordinary shares of £1 each	<u>1,102</u>	<u>1,102</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 DESIGNATED FUNDS AND OTHER CHARITABLE FUNDS

The unrestricted funds of the company represent the accumulated net income and unrealised gains on revaluation of investments which are not related to the permanent endowment funds. The unrestricted funds are further classified as designated funds for specific charitable projects which are approved by the Directors and other charitable funds.

	2021 HK\$	2020 HK\$
<u>Designated funds</u>		
At 1st January	15,952,366	28,187,309
Designations	25,757,167	11,934,690
Utilised during the year	(20,833,482)	(24,169,633)
At 31st December	<u>20,876,051</u>	<u>15,952,366</u>

	2021 HK\$	2020 HK\$
<u>Other charitable funds</u>		
At 1st January	33,998,272	14,111,961
Net incoming resources before revaluations and grants paid	32,005,500	31,821,001
Designations	(25,757,167)	(11,934,690)
At 31st December	<u>40,246,605</u>	<u>33,998,272</u>

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2021 HK\$	Permanent endowment funds 2021 HK\$	Total funds 2021 HK\$
Investments	-	1,099,180,321	1,099,180,321
Current assets	61,152,411	1,387	61,153,798
Current liabilities	(28,653)	-	(28,653)
Net assets	<u>61,123,758</u>	<u>1,099,181,708</u>	<u>1,160,305,466</u>

	2020 HK\$	2020 HK\$	2020 HK\$
Investments	-	1,112,290,038	1,112,290,038
Current assets	50,053,723	1,387	50,055,110
Current liabilities	(101,983)	-	(101,983)
Net assets	<u>49,951,740</u>	<u>1,112,291,425</u>	<u>1,162,243,165</u>

19 COMMITMENTS

	2021 HK\$	2020 HK\$
Payable within one year	20,876,051	15,952,366
Payable between one and five years	22,506,189	5,018,266
	<u>43,382,240</u>	<u>20,970,632</u>

Of the commitments payable within one year at 31st December 2020, HK\$14,992,364 was paid during the year.

These commitments are grants approved by the Executive Committee, payable to organisations and subject to terms and conditions stated in the grant letters.

20 RELATED PARTY TRANSACTIONS

Certain of the Board of Directors are directors of JMH or affiliated with the directors of JMH. Dividend income of HK\$34,222,467 (2020:HK\$34,166,504) was received from the investment in JMH.

KESWICK FOUNDATION LIMITED

England & Wales - Charity number 278449

Accounts

KESWICK FOUNDATION LIMITED
(Registered company number 1422314)
(Registered charity number 278449)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st DECEMBER 2020

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS

Keswick Foundation Limited was incorporated on 23rd May 1979 as a charitable limited company in England. The articles of association of the company adopted pursuant to a special resolution of the members of the company on 8th November 1996, have been amended and a new set of articles of association, incorporating all the changes, was adopted on 16th April 2020. The Directors together with the Executive Committee members who served during 2020 and up to the date of signing the financial statements are listed below. The Articles of Association of the company allows for a board of not less than two Directors.

Co-founders:

Sir John Keswick
Mrs. Maggie Keswick Jencks

Directors:

Clara Weatherall, Chairman
Deming Chen
Christine Fang
Francine Fu
Kathryn Greenberg
Stacey Hildebrandt
Cosimo Jencks
Lily Jencks
Ben Keswick
Clare Keswick
Martha Keswick
Christophe Lee
Stephen Li
Neil McNamara
Lee Parr
Marcus Shaw
Angelina Yuen
Michael Yuen-jen Yao (appointed on 1st November 2020)

Executive Committee:

Angelina Yuen, Chairman
Martha Keswick
Deming Chen
Christine Fang
Francine Fu
Kathryn Greenberg
Stacey Hildebrandt
Cosimo Jencks
Christophe Lee
Stephen Li
Neil McNamara
Lee Parr
Michael Yuen-jen Yao (appointed on 1st November 2020)

Joint Company Secretaries:

Jonathan Lloyd
Phillip Hawkins (resigned on 9th December 2020)

KESWICK FOUNDATION LIMITED

DIRECTORS AND OFFICERS (CONTINUED)

Principal place of business:

25th Floor, Devon House
Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

Independent auditors:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London WC2N 6RH
United Kingdom

Bankers:

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

BNP Paribas Hong Kong Branch
63/F, Two Int'l Finance Centre
8 Finance Street Central
Hong Kong

Butterfield Trust (Bermuda) Limited
65 Front Street
Hamilton HM 12
Bermuda

Registered office:

3 Lombard Street
London EC3V 9AQ
England

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT

The Directors of the company, who are also the trustees for the purpose of UK Charity Law, submit their annual report and the company's audited financial statements for the financial year ended 31st December 2020.

The annual report and financial statements for the year ended 31st December 2020 have been prepared on a going concern basis, under the historical cost convention as modified by revaluation of investments, in compliance with the Companies Act 2006, the Charities Act 2011, the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), and with UK Generally Accepted Accounting Practice. The principal accounting policies, which have been applied consistently throughout the year, including changes arising on the adoption of Charities SORP (FRS102).

Organisational Structure

The Board of Directors oversees the management, policy and planning of the company. The projects and their funding have to be reviewed and approved by the Executive Committee to ensure proper allocation of resources. Fanny Wong, the Executive Director, who is an employee of the company, provides supporting services to the administration office of the company and funding projects.

The company is registered as a charity (registered number: 278449) under the Charities Act 2011. The objects of the company are to help to support those in need in Hong Kong and mainland China by assisting pilot projects relating to human welfare.

Objectives and Activities for the Public Benefit

When reviewing the company's activities, the Directors have taken into consideration of the Charity Commission's guidance on public benefit disclosure and believe the activities of the company inherently meet the requirements given the nature of grants awarded to other charitable organisations.

The company's mission is to support, nurture and promote charitable bodies that address social needs in Hong Kong and mainland China. The company funds pilot projects/new services and long-term strategic initiatives. The projects that fill service gaps and address specific social needs would also be considered. The company funding may cover recurrent, programme, or, exceptionally, capital costs.

The nature of services to be focused on by the company includes elderly, youth/children, family and disability.

Grant Making Policy

The Executive Committee is responsible for approving the funding applications and will look at new funding applications throughout the year. In 2011, the company adopted a new policy to help maintain the efficiency of the assessment process. All new applications will be firstly screened through vetting meetings formed by at least 3 Executive Committee Members. The objectives of the vetting meeting are (a) to turn down irrelevant applications; (b) to approve certain straight forward applications, each project under HK\$500,000 per year; and (c) to make recommendations for further consideration by the Executive Committee of projects determined to be worthwhile. Those shortlisted proposals will be submitted to the Executive Committee for consideration and approval.

Achievements and Performance

In 2020, the company donated a total of HK\$24.2 million (2019: HK\$37.5 million) for 49 charity projects (2019: 48 charity projects) in Hong Kong and mainland China.

The projects covered a wide range of services such as support for children with heart disease, autistic children in Hong Kong and children from rural counties in mainland China. Here are some of the highlights:

- With a funding of HK\$1,507,200, Children Heart Foundation has launched a three-year project to provide psychological counselling, play therapy and creative art therapy to children with surgical distress and their parents.
- KF has committed a two-year funding, HK\$1,200,913, for Hong Chi Association to enhance the expressive ability of the non-verbal and autistic students through revamping a communication APP with new features.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Achievements and Performance (continued)

- KF has committed HK\$1,049,100 to support a three-year project of World Vision China Foundation to increase protection of 3 – 6 years old children from unintentional injuries of road traffic injury, fall and drowning in rural counties of Shaanxi and Jiangxi, China.

Financial Position

The company had net profit for the year of HK\$7,651,368 (2019: net expenditure HK\$6,092,095). After taking into consideration of net profit on revaluation of investments of HK\$3,414,779 (2019: net loss HK\$287,211,160), the company had a net surplus for the year of HK\$11,066,147 (2019: net deficit HK\$293,303,255).

Dividend income from Investments for 2020 amounted to HK\$34,166,504 (2019: HK\$34,571,965). During the year the company made grants of HK\$24,169,633 (2019: HK\$37,549,570).

Under the company's Memorandum of Association, the income and property of the company shall be applied solely towards the promotion of its objects and no portion shall be paid or transferred, directly or indirectly by way of dividend, bonus or profit to members of the company. Furthermore, no member of the board shall be paid salary or fees or receive any remuneration or other benefit in money or money's worth from the company except for the reasonable payment of expenses.

Investment Policy and Performance against the Policy

In furtherance of the objects, the company may invest the monies of the company not immediately required in or on such investments, securities or property as may be thought fit, provided such consent and conditions as required by laws have been obtained and fulfilled.

The Directors determine the acquisitions and disposals of investments in order to maintain the income required for the charitable projects. In accordance with the instructions of the founders, the shares in Jardine Matheson Holdings Limited ("JMH"), which are held within the Endowment Fund, are the only investments held by the company in that Fund. Such investments are to be kept intact and only the income from these investments will be used by the company to distribute to charities and other organisations of its choice. For investments held in Unrestricted Funds, dividends and sales proceeds received from the shares continue to provide the income to enable the company to carry out its charitable activities. The Directors periodically review the performance of the portfolio to ensure that it continues to provide the most appropriate investment for the company's requirements.

Risks faced by the Charity

The Directors are responsible for the identification and management of risks, and have taken steps to ensure that controls are in place to mitigate them. There is market price risk in association with the investment of the company. However, the Directors consider the investment to be low risk and highly regarded when compared with benchmark investment indices. Review of the risks is conducted regularly to monitor the controls in place and the performance of JMH shares is reviewed annually by the Directors. The company is also exposed to liquidity risk in respect of the payments of committed projects, but it manages its liquidity requirements through maintaining sufficient cash and disposal of investments when additional cash is required.

Reserves

Most of the company's funds are held either as a permanent endowment or as funds designated for specific purposes. The company's policy is to maintain a minimum level of non-designated unrestricted funds equal to six months' general expenditure. At the year-end, unrestricted funds which have not been designated amounted to HK\$30,295,596 (2019: HK\$14,113,063). The reserves policy is reviewed from time to time by the Directors.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' Appointments

The first Directors were appointed by the subscribers.

The company may, by ordinary resolution, appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director. The Directors may also appoint a person who is willing to act as an additional Director.

On appointment, the chairman of the Executive Committee will have a briefing session with the new Director on board to explain his/her roles and responsibilities.

The current Directors, and those who served during the year, are listed on page 1.

Statement of Directors' Responsibilities

The Directors (who are also trustees of Keswick Foundation Limited for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditors

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

KESWICK FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED)

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The members amended the Articles of Association on 16th April 2020 inter alia, dispensing with the requirement of holding Annual General Meetings and approved that the auditors of the company will automatically be deemed re-appointed unless sufficient members have given notice to the company under section 488 of the Companies Act.

On behalf of the Board



Angelina Yuen
Director

HONG KONG, 27th September 2021

Independent auditors' report to the members of Keswick Foundation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Keswick Foundation Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of financial activities (incorporating a summary income and expenditure account), the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in Directors' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and applicable tax laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to misstate results and management bias in accounting estimates and judgemental areas of the financial statement. Audit procedures performed included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing relevant meeting minutes;
- evaluate assumptions and judgements made by management in determining key accounting estimates and judgement, in particular in relation to the valuation of investments;
- As in all of our audits we also addressed the risk of management override of internal controls, including testing journals, and evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

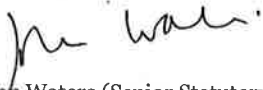
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.


John Waters (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 September 2021

KESWICK FOUNDATION LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020**

		Unrestricted Funds	Permanent Endowment Fund	Total Funds	Total Funds
	Note	2020 HK\$	2020 HK\$	2020 HK\$	2019 HK\$
Donations		225,000	-	225,000	225,000
Investment income	3	34,166,504	-	34,166,504	34,571,965
Interest income		311,788	-	311,788	714,710
Total income		<u>34,703,292</u>	<u>-</u>	<u>34,703,292</u>	<u>35,511,675</u>
Expenditure on:					
Charitable activities	4	(26,957,939)	-	(26,957,939)	(40,973,652)
Other: Bank charges		(6,800)	-	(6,800)	(5,484)
Audit fee		(225,000)	-	(225,000)	(225,000)
Total expenditure		<u>(27,189,739)</u>	<u>-</u>	<u>(27,189,739)</u>	<u>(41,204,136)</u>
Total		7,513,553	-	7,513,553	(5,692,461)
Net foreign exchange gain/(loss)		137,815	-	137,815	(399,634)
Net revaluation gain/(loss) on Investments	11	-	3,414,779	3,414,779	(287,211,160)
Net income/(expenditure)		<u>7,651,368</u>	<u>3,414,779</u>	<u>11,066,147</u>	<u>(293,303,255)</u>
Net movement in funds		7,651,368	3,414,779	11,066,147	(293,303,255)
Fund balances brought forward		42,300,372	1,108,876,646	1,151,177,018	1,444,480,273
Fund balances carried forward		<u>49,951,740</u>	<u>1,112,291,425</u>	<u>1,162,243,165</u>	<u>1,151,177,018</u>

All amounts relate to continuing operation. There were no recognised gains or losses and therefore no separate statement of recognised gains and losses has been presented.

The notes on page 14 to 19 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2020**

	2020 HK\$	2019 HK\$
Total income	34,703,292	35,511,675
Cost of generating funds	(6,800)	(5,484)
Cost of grant making	(26,957,939)	(40,973,652)
Governance costs	(225,000)	(225,000)
	<u>(27,189,739)</u>	<u>(41,204,136)</u>
Net foreign exchange gain/(loss)	137,815	(399,634)
Net surplus/(expenditure) of the year	<u><u>7,651,368</u></u>	<u><u>(6,092,095)</u></u>

The notes on page 14 to 19 form part of these financial statements.

KESWICK FOUNDATION LIMITED

BALANCE SHEET
AS AT 31ST DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
Non-current assets			
Investments	11	1,112,290,038	1,108,875,259
Current assets			
Other receivables	12	578,229	113,124
Cash at bank and in hand		49,476,881	42,379,686
Total current assets		50,055,110	42,492,810
Current liabilities			
Accruals and other payables	13	(101,983)	(191,051)
Net current assets		49,953,127	42,301,759
Total assets less current liabilities		1,162,243,165	1,151,177,018
Net assets		1,162,243,165	1,151,177,018
Funds:			
Permanent endowment funds	14	15,370,847	15,370,847
Revaluation reserve	15	1,096,920,578	1,093,505,799
		1,112,291,425	1,108,876,646
Unrestricted funds:			
Share capital	16	1,102	1,102
Designated funds	17	15,952,366	28,187,309
Other charitable funds	17	33,998,272	14,111,961
		49,951,740	42,300,372
Total Funds	18	1,162,243,165	1,151,177,018

The financial statements on pages 10 to 19 were approved by the Board on 27th September 2021 and signed on its behalf by :


Angelina Yuen
DIRECTOR


MK
x
Martha Keswick
DIRECTOR

The notes on page 14 to 19 form part of these financial statements.

KESWICK FOUNDATION LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

	2020 HK\$	2019 HK\$
Cash flows from operating activities :		
Net Income/(expenditure)	7,651,368	(6,092,095)
Exchange (gain)/loss	(137,815)	399,634
Investment income	(34,166,504)	(34,571,965)
Interest income	(311,788)	(714,710)
(Increase)/decrease in other receivables	(557,618)	372,168
(Decrease)/Increase in payables	(89,068)	167,457
Net cash used in operating activities	<u>(27,611,425)</u>	<u>(40,439,511)</u>
Cash flows from investing activities		
Dividends received	34,166,504	34,571,965
Interest received	404,301	885,872
Net cash provided by investing activities	<u>34,570,805</u>	<u>35,457,837</u>
Change in cash and cash equivalents due to exchange rate movements	137,815	(399,634)
Change in cash and cash equivalents in the reporting period	<u>7,097,195</u>	<u>(5,381,308)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>42,379,686</u>	<u>47,760,994</u>
Cash and cash equivalents at the end of the reporting period	<u><u>49,476,881</u></u>	<u><u>42,379,686</u></u>

The notes on page 14 to 19 form part of these financial statements.

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2019 ('the SORP 2019'), together with the reporting requirements of the Companies Act 2006, and the Charities Act 2011. The Company has adapted the Companies Act formats to reflect SORP 2019 and the special nature of the Company's activities.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed investments.

The financial statements have been prepared on the going concern basis. There are no material uncertainties about the Company's ability to continue operating as a going concern. The accounting policies have been applied consistently throughout the financial statements and the prior year.

(b) Revenue recognition

Dividend income from investments is recognised when the dividend is received.

Interest income is recognised on a time apportioned basis.

Donations in kind are included in the financial statements at their value to the charity estimated by the Directors, unless it is not possible to quantify that value. Donations in kind are credited to revenue on a receivable basis.

(c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under appropriate headings in the financial statements.

Cost of generating funds represents bank charges for administration of investments. Costs of charitable activities include grants made and support costs as shown in note 4. Governance costs comprise all costs involving the public accountability of the company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

(d) Grants

Grants are included in the statement of financial activities in the accounting period in which they are approved by the Executive Committee as unconditional. Grants approved which have conditions attached are initially recorded as commitments and are only included in the statement of financial activities when the conditions have been met.

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (continued)

(e) Investments

Investments are stated at fair value.

Realised and unrealised gains or losses on investments are accounted for within the fund that owns the investments.

(f) Funds

The company maintains the following types of funds:

Permanent endowment funds which comprises gifts from donors where the donor has specified that the capital must be retained in perpetuity but the income earned on it is for the general use of the charity. Such income is credited to unrestricted funds.

Designated funds are unrestricted funds earmarked by the Directors for specific purposes.

Other unrestricted funds represents all other funds, which can be used by the Directors for any purpose to further the charity's objectives.

(g) Pension

The company's contributions to the Mandatory Provident Fund (the "MPF") are expensed as incurred and are 100% vested in the employees as soon as they are paid to the MPF. The company contributes 10% of the employees' gross salary. The MPF is a defined contribution retirement scheme administered by independent trustees. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(h) Translation of foreign currencies

The company's functional currency is Hong Kong dollars. Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the statement of financial activities.

2 CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes assumptions, estimates, judgements in the process of applying the Company's accounting policies that affect the assets, liabilities, income and expenditure in the financial statements prepared in accordance with the Charities SORP 2019. The assumptions, estimates and judgements are based on historical evidence and other factors that are believed to be reasonable under circumstances. While the Directors review their judgements, estimates and assumptions continuously, the actual result will seldom be equal to the estimates.

3 INVESTMENT INCOME

	2020	2019
	HK\$	HK\$
Dividend from Jardine Matheson Holdings Limited	<u>34,166,504</u>	<u>34,571,965</u>

4 CHARITABLE ACTIVITIES

		2020	2019
	Note	HK\$	HK\$
Grants paid	5	24,169,633	37,549,570
Support costs	6	2,788,306	3,424,082
		<u>26,957,939</u>	<u>40,973,652</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 GRANTS PAID

Grants paid are payments made to specific charitable projects as approved by the Directors. The following is a list of grants paid during the year:-

<u>Name of recipient</u> (each recipient below received one grant except where detailed):	2020 HK\$	2019 HK\$
Caritas Hong Kong	1,129,170	1,859,587
Children's Heart Foundation	165,900	-
China Association of Social Work Education	-	676,019
China Coast Community	-	247,000
- Weekly Psychotherapy Services	-	-
- Occupational Therapy Services	70,200	11,700
Christian Family Service Centre	607,077	1,652,509
Ebenezer New Hope School	1,068,834	383,714
Evangel Children's Home	-	-
- Counselling Services Scheme	454,005	675,540
Grwth Foundation Ltd	-	799,718
Half the Sky Foundation (Asia) Ltd	-	223,510
Home Care for Girls	-	-
- Counselling Services Scheme	456,997	466,310
Hong Chi Association	288,822	-
Hong Kong Christian Services	459,988	647,543
Hong Kong Family Welfare Society	-	1,690,759
Hong Kong Social Workers Association	1,403,994	467,060
Maggie's Cancer Caring Centre	880,500	896,100
Mother's Choice	182,500	-
Project Space Limited	-	687,340
RainLily	646,267	631,683
Recognition Award	50,000	57,500
Sister of the Good Shepherd	-	-
- Clinical Psychological	250,000	-
The ABM HK Swatow Baptist Church	-	-
- Life Enrichment	686,447	933,137
- School-based Consultation	247,400	-
The Boys' & Girls' Clubs Association of HK	-	-
- Counselling Services Scheme	456,997	404,700
- Developing Sustainable Services	596,840	1,143,902
The Hong Kong Council of Social Service	-	106,800
- Dreamstarter	-	-
- Champion for Change Award	28,125	112,500
- Stair Climbing Services	953,036	1,346,934
The Hong Kong Council of the Church of Christ in China	532,467	1,238,082
The Hong Kong Federation of Youth Group:	-	-
- Project iSmarter	758,911	1,458,431
- Psychological Services	227,490	-
The Society for Community Organisation	452,589	1,089,935
The University of Hong Kong	-	651,900
- Advisory Network Project	-	-
- Centre on Behavioural Health	598,095	435,138
- CSR	1,263,540	842,360
- Dept of Social Work	869,215	3,061,950
- Developing Team Work	373,006	696,406
World Vision China Foundation Ltd	298,144	-
Yang Memorial Methodist Social Service Mongkok Integrated Family Service Centre	934,894	914,278
Youth Outreach	-	2,678,960
Champion for Change Award	-	-
- Baptist Oi Kwan Service	-	392,700
- Caritas Hong Kong	165,595	198,700
- Christian Family Service	49,927	333,000
- CNEC Lui Ming Choi Primary School	200,000	100,000
- The Hong Kong Council of Social Service	100,000	100,000
- The Boys' & Girls' Clubs Association of Hong Kong	167,000	200,000
- The Church of United Brethren in Christ Social Service	200,000	200,000
- The Salvation Army Hong Kong East Integrated Service	201,300	132,500
- Yan Oi Tong	167,000	200,000
- 3 year Projects	16,840	-
CASWE	57,895	-
China Social Work Project Fund I	-	-
China Social Work Project Fund II	-	-
- Projects	2,238,864	3,212,366
- Monitoring expenses	-	210,879
The Hong Kong Polytechnic University	-	806,240
- Asset based Community Building of Migrant Local	-	-
- Dept of Rehabilitation Sciences	1,227,812	2,000,902
- Extra-subsidiaries for Training Workshop	-	86,280
- New Generation of Social Work Teachers	1,273,413	-
Yang Ai	371,720	179,619
Shaanxi Jia Yuen Hui Social Work Service Centre	169,429	133,058
Short-term funds (7 projects)	704,656	-
China short-term funds	174,337	-
Refund of unused amount from completed projects	(707,605)	(125,679)
	<u>24,169,633</u>	<u>37,549,570</u>

The company has not awarded any grants to individuals during 2020 (2019: nil).

KESWICK FOUNDATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6 SUPPORT COSTS**

	Note	2020 HK\$	2019 HK\$
Staff costs	7	2,516,236	2,672,530
Printing and stationery		10,289	10,377
Website		17,716	17,176
Office equipment expensed		67,534	21,600
Travelling expenses		3,813	3,693
40th Anniversary Book		13,864	450,000
Sundry expenses		158,854	248,706
		<u>2,788,306</u>	<u>3,424,082</u>

All support costs have been allocated to charitable activities.

7 STAFF COSTS

	2020 HK\$	2019 HK\$
Wages and salaries	2,353,250	2,470,423
Other pension costs	162,986	202,107
	<u>2,516,236</u>	<u>2,672,530</u>

The average number of full-time equivalent employees during the year was 4 (2019: 4). One employee's emolument (2019: 1) fell within the band GBP80,000 - GBP90,000 (equivalent to HK\$800,622 - HK\$900,700).

Defined contribution pension plan of HK\$28,983 remains unpaid as at 31st December 2020 (2019: HK\$28,329).

The above numbers do not include Directors who are not permitted to receive remuneration for their duties.

8 DIRECTORS' REMUNERATION

None of the Directors received any remuneration or reimbursement of expenses in respect of their services rendered to the company during the year (2019: nil).

9 REMUNERATION OF THE AUDITORS

The auditors do not charge for the services rendered to the company. The audit fees of HK\$225,000 (2019:HK\$225,000), which is by reference to the audit hours incurred and hourly charge out rate. The audit fees have been included within donations under incoming resources and fees and professional charges under resources expended, to reflect the services are rendered honorary in nature.

10 TAXATION

The company is exempted from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance (Cap. 112).

The company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, carried on in furtherance of the company's primary objectives, if these profits are applied solely for charitable purposes.

No United Kingdom corporation tax liability arises for the year (2019: nil).

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 INVESTMENTS

Investments represent shares in Jardine Matheson Holdings Limited ("JMHS"), a company listed on the London Stock Exchange.

	2020	2019
	HK\$	HK\$
Movements for the year:		
At 1st January	1,108,875,259	1,396,086,419
Net revaluation gain/(loss)	3,414,779	(287,211,160)
At 31st December	<u>1,112,290,038</u>	<u>1,108,875,259</u>
Historical cost as at 31st December	<u>15,369,460</u>	<u>15,369,460</u>
Revaluation gains at 31st December	<u>1,096,920,578</u>	<u>1,093,505,799</u>

The above unrealised gain relates to the endowment fund. The Directors believe that the carrying value of the investment is supported by its underlying net assets.

12 OTHER RECEIVABLES

	2020	2019
	HK\$	HK\$
Interest receivable	19,787	112,300
Cash advances	558,442	824
	<u>578,229</u>	<u>113,124</u>

13 ACCRUALS AND OTHER PAYABLES

	2020	2019
	HK\$	HK\$
Special bonus	73,000	118,020
Employer's contribution of MPF expenses	28,983	28,329
Provision for 40th Anniversary book expenses	-	44,702
	<u>101,983</u>	<u>191,051</u>

14 PERMANENT ENDOWMENT FUNDS

Permanent endowment funds of the company represent the JMHS shares accepted by the Directors as a gift on 19th October 1979 and 4th December 2000. The value of the shares received on those dates were HK\$15,250,000 and HK\$120,847 respectively. The Directors hold this investment as a fund to provide income for the charitable purpose of the company and this amount has therefore been credited to capital reserves.

15 REVALUATION RESERVE

	2020	2019
	HK\$	HK\$
At 1 January 2020	1,093,505,799	1,380,716,959
Net revaluation gain/(loss) during the year	3,414,779	(287,211,160)
At 31st December 2020	<u>1,096,920,578</u>	<u>1,093,505,799</u>

16 SHARE CAPITAL

	2020	2019
	HK\$	HK\$
Authorised, allotted and fully paid:		
100 (2019: 100) ordinary shares of £1 each	<u>1,102</u>	<u>1,102</u>

KESWICK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 DESIGNATED FUNDS AND OTHER CHARITABLE FUNDS

The unrestricted funds of the company represent the accumulated net income and unrealised gains on revaluation of investments which are not related to the permanent endowment funds. The unrestricted funds are further classified as designated funds for specific charitable projects which are approved by the Directors and other charitable funds.

	2020 HK\$	2019 HK\$
<u>Designated funds</u>		
At 1st January	28,187,309	38,376,342
Designations	11,934,690	27,360,537
Utilised during the year	(24,169,633)	(37,549,570)
At 31st December	<u>15,952,366</u>	<u>28,187,309</u>
	2020 HK\$	2019 HK\$
<u>Other charitable funds</u>		
At 1st January	14,111,961	10,015,023
Net incoming resources before revaluations and grants paid	31,821,001	31,457,475
Designations	(11,934,690)	(27,360,537)
At 31st December	<u>33,998,272</u>	<u>14,111,961</u>

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2020 HK\$	Permanent endowment funds 2020 HK\$	Total funds 2020 HK\$
Investments	-	1,112,290,038	1,112,290,038
Current assets	50,053,723	1,387	50,055,110
Current liabilities	(101,983)	-	(101,983)
Net assets	<u>49,951,740</u>	<u>1,112,291,425</u>	<u>1,162,243,165</u>
	2019 HK\$	2019 HK\$	2019 HK\$
Investments	-	1,108,875,259	1,108,875,259
Current assets	42,491,423	1,387	42,492,810
Current liabilities	(191,051)	-	(191,051)
Net assets	<u>42,300,372</u>	<u>1,108,876,646</u>	<u>1,151,177,018</u>

19 COMMITMENTS

	2020 HK\$	2019 HK\$
Payable within one year	15,952,366	28,187,309
Payable between one and five years	5,018,266	10,179,022
	<u>20,970,632</u>	<u>38,366,331</u>

Of the commitments payable within one year at 31st December 2019, HK\$21,217,384 was paid during the year.

These commitments are grants approved by the Executive Committee, payable to organisations and subject to terms and conditions stated in the grant letters.

20 RELATED PARTY TRANSACTIONS

Certain of the Board of Directors are directors of JMH or affiliated with the directors of JMH. Dividend income of HK\$34,166,504 (2019:HK\$34,571,965) was received from the investment in JMH.