

**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**

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### **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.

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### **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.

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### **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.

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### **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.

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## **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](http://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.

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## **Other required reporting**

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### **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.

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### **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
<b>Total income</b>		<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)
<b>Total expenditure</b>		<u>(30,169,611)</u>	<u>-</u>	<u>(30,169,611)</u>	<u>(34,042,435)</u>
<b>Net surplus before net loss on investments</b>		<u>18,946,613</u>	<u>-</u>	<u>18,946,613</u>	<u>10,779,841</u>
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)
<b>Net surplus/(deficit)</b>		<u>18,856,381</u>	<u>(191,677,599)</u>	<u>(172,821,218)</u>	<u>(72,445,998)</u>
<b>Net movement in funds</b>		<u>18,856,381</u>	<u>(191,677,599)</u>	<u>(172,821,218)</u>	<u>(72,445,998)</u>
Fund balances brought forward		71,023,282	1,016,836,186	1,087,859,468	1,160,305,466
<b>Fund balances carried forward</b>		<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)
<b>Net surplus of the year</b>	<b>18,856,381</b>	<b>9,899,524</b>

\* 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\$
<b>Fixed assets</b>			
Investments	11	825,157,200	1,016,834,799
<b>Current assets</b>			
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
<b>Current liabilities</b>			
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
<b>Net assets</b>		915,038,250	1,087,859,468
<b>Funds:</b>			
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
<b>Total Funds</b>	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 HK\$	2022 HK\$
<b>Cash flows from operating activities :</b>		
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>
<b>Cash flows from investing activities</b>		
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>
<b>Change in cash and cash equivalents due to exchange rate movements</b>	<u>(90,232)</u>	<u>(880,317)</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<u>71,573,845</u>	<u>(49,679,979)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<u>10,093,659</u>	<u>59,773,638</u>
<b>Cash and cash equivalents at the end of the reporting period *</b>	<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)**

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

\* 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):	<b>2023</b>	<b>2022</b>
	<b>HK\$</b>	<b>HK\$</b>
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 Ruttonjee 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 HK\$	2022 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)**

<b>7 SUPPORT COSTS</b>		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)).

<b>8 STAFF COSTS</b>	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 ("JMH"), 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 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. The revaluation reserve of the Company comprises the cumulative net change in the fair values of the JMH 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 HK\$	2022 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 HK\$	2022 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 HK\$	2022 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.