

Registration number: 00703170

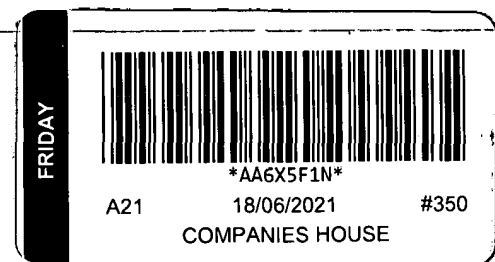
The Hong Kong Association

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Blue Spire Limited
Chartered Accountants and Statutory Auditors
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY



The Hong Kong Association

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Company Information

Chairman	Sir Douglas Flint CBE
Vice Chairman	A P C Keswick
Directors	M G Barrow CBE Sir Sherard Cowper-Coles KCMG, LVO J G Greenwood OBE Dr G P Lyons J Ouwehand The Lord Powell of Bayswater KCMG C N R Salbaing The Lord Sassoon A J Seaton B N Swire S C Swire M E Tucker J M Vinals P S W Wong
Company secretary	L S Jones
Honorary treasurer	J C Makra
Registered office	Swire House 59 Buckingham Gate London SW1E 6AJ
Bankers	HSBC UK 17 Gerrard Street London W8 5EH
Auditors	Blue Spire Limited Chartered Accountants and Statutory Auditors Cawley Priory South Pallant Chichester West Sussex PO19 1SY

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Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the company is to promote understanding of the scale and importance of business links between the Hong Kong Special Administrative Region and the United Kingdom and to ensure that the perspectives of the respective business communities are properly understood and recognised by policy makers and others with an interest in Hong Kong affairs.

Directors of the company

The directors who held office during the year were as follows:

Sir Douglas Flint CBE - Chairman

A P C Keswick - Vice Chairman

C M Allen-Jones (resigned 10 January 2020)

M G Barrow CBE

Sir Sherard Cowper-Coles KCMG, LVO

J G Greenwood OBE

Sir Henry Keswick (resigned 16 June 2020)

Dr G P Lyons

J Ouwehand (appointed 16 June 2020)

The Lord Powell of Bayswater KCMG

C N R Salbaing

The Lord Sassoon

A J Seaton (appointed 16 June 2020)

B N Swire

S C Swire

M E Tucker

J M Vinals

P S W Wong

Going concern

The financial statements have been prepared on a going concern basis as the Directors believe that no material uncertainties exist. The Directors have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the company to be able to continue as a going concern.

The COVID-19 outbreak was declared a pandemic by the World Health Organisation on 11 March 2020; which may affect the Company. Although the Directors recognise that this could bring uncertainty, there is no expectation on the part of the Directors that the Company will not remain a going concern for the 12 months subsequent to the signing of these financial statements. Therefore, the financial statements have been prepared on a going concern basis.

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Directors' Report for the Year Ended 31 December 2020

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

07 June 2021

Approved by the Board on and signed on its behalf by:

Douglas Flint

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Sir Douglas Flint CBE
Chairman

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Independent Auditor's Report to the Members of The Hong Kong Association

Opinion

We have audited the financial statements of The Hong Kong Association (the 'company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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Independent Auditor's Report to the Members of The Hong Kong Association

Opinion on other matter prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities set out on Page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;

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Independent Auditor's Report to the Members of The Hong Kong Association

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of any significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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Geoffrey Frost FCA (Senior Statutory Auditor)
For and on behalf of Blue Spire Limited, Statutory Auditor

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

08 June 2021
Date:.....

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Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover		41,344	96,996
Cost of sales		<u>(2,561)</u>	<u>(42,178)</u>
Gross surplus		38,783	54,818
Administrative expenses		(72,449)	(75,311)
Other operating income		<u>34,000</u>	<u>34,000</u>
Operating surplus		334	13,507
Other interest receivable and similar income		<u>5</u>	<u>10</u>
Surplus before tax	5	339	13,517
Tax on profit		<u>(57)</u>	<u>(2,308)</u>
Surplus for the financial year		<u><u>282</u></u>	<u><u>11,209</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 9 to 12 form an integral part of these financial statements.

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(Registration number: 00703170)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	258	-
Current assets			
Debtors	7	1,998	13,341
Cash at bank and in hand		<u>42,872</u>	<u>34,729</u>
		44,870	48,070
Creditors: Amounts falling due within one year	8	<u>(1,453)</u>	<u>(4,726)</u>
Net current assets		<u>43,417</u>	<u>43,344</u>
Total assets less current liabilities		43,675	43,344
Provisions for liabilities		<u>(49)</u>	<u>-</u>
Net assets		<u><u>43,626</u></u>	<u><u>43,344</u></u>
Capital and reserves			
Profit and loss account		<u>43,626</u>	<u>43,344</u>
Shareholders' funds		<u><u>43,626</u></u>	<u><u>43,344</u></u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

07 June 2021

Approved and authorised by the Board on and signed on its behalf by:

Douglas Flint

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Sir Douglas Flint CBE
Chairman

The Hong Kong Association

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The address of its registered office is:

Swire House
59 Buckingham Gate
London
SW1E 6AJ

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

The company is a company limited by guarantee, registration number: 00703170, incorporated in England and Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £5 towards the assets of the company in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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Notes to the Financial Statements for the Year Ended 31 December 2020

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	Straight line over 3 years

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 2 (2019 - 2).

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Notes to the Financial Statements for the Year Ended 31 December 2020

4 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>1,140</u>	<u>1,232</u>

5 Profit before tax

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	<u>100</u>	<u>-</u>

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Notes to the Financial Statements for the Year Ended 31 December 2020

6 Tangible assets

	Office equipment £	Total £
Cost or valuation		
Additions	358	358
At 31 December 2020	358	358
Depreciation		
Charge for the year	100	100
At 31 December 2020	100	100
Carrying amount		
At 31 December 2020	258	258

7 Debtors

	2020 £	2019 £
Prepayments	1,423	-
Other debtors	575	13,341
	1,998	13,341

8 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Trade creditors		305	-
Other creditors		1,140	2,418
Corporation tax		8	2,308
		1,453	4,726