

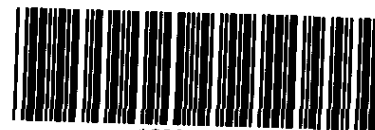
OS AA01

Statement of details of parent law and other information for an overseas company



Companies House

THURSDAY



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23/07/2020

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COMPANIES HOUSE

☒ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

☐ **What this form is NOT**
You cannot use this form
for an alteration of name
with accounting requirements.

Part 1 Corporate company name

Corporate name of
overseas company ①

Baillie Gifford Asia (Hong Kong) Limited

UK establishment
number

B R 0 1 7 6 6 2 FC032587

→ **Filling in this form**

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ②

Hong Kong Financial Reporting Standards

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

③ Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation
or body ③

Hong Kong Institute of Certified Public Accountants

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.

OS AA01

Statement of details of parent law and other information for an overseas company

A4**Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

- ☐ **No.** Go to **Part 3 'Signature'**.
- ☒ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

① Please insert the name of the appropriate accounting organisation or body.Name of organisation or body **①**

Hong Kong Institute of Certified Public Accountants

A5**Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

- ☐ **No.**
- ☐ **Yes.**

Part 3**Signature**

Signature

I am signing this form on behalf of the overseas company.

Signature

X



X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Claire Kay
Company name	Baillie Gifford & Co
Address	Calton Square 1 Greenside Row
Post town	Edinburgh
County/Region	
Postcode	E H 1 3 A N
Country	United Kingdom
DX	
Telephone	



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

CARD E20

FC032587

**Baillie Gifford Asia (Hong Kong)
Limited**

柏基亞洲(香港)有限公司

31 March 2020

Report of the directors

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2020.

Principle place of business

Baillie Gifford Asia (Hong Kong) Limited (the "Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 30th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

Principal activities

The principal activities of the Company are the provision of marketing and distribution services of the sub-funds of Baillie Gifford Worldwide Funds Plc, as managed by its immediate holding company, Baillie Gifford Overseas Limited ("BGO"), to professional investors in Hong Kong on behalf of BGO. In addition, the Company provides marketing and client service support to BGO in Hong Kong and across the broader Asia region. The Company is licensed under the Hong Kong Securities and Futures Ordinance to conduct activities under a Type 1 license. On the 18th of March 2020 the SFC granted the Company a Type 2 licence (dealing in futures) and the Hong Kong dealing desk started to provide investment trading services to BGO from 1 April 2020.

Review of the business

No business review as required under Schedule 5 of the Companies Ordinance (Cap. 622) is presented for the year ended 31 March 2020 as the Company is a wholly owned subsidiary of Baillie Gifford Overseas Limited and has been able to claim an exemption under section 388(3) of the Companies Ordinance (Cap. 622).

Coronavirus update

We are closely watching unfolding events concerning Covid-19 and following the advice of health authorities. Our primary aims are two-fold: firstly, to ensure the health and wellbeing of our staff and others, and secondly to continue to serve our clients well during these unprecedented times. Though our working patterns have changed hugely, the Company and its parent, Baillie Gifford Overseas Limited, have well-tested contingency plans which have been put into action. The firm has technology, systems and policies in place to ensure that we remain fully functional while working in dispersed locations and are capable of continuing business as usual. On a note of optimism, in line with government advice, our Hong Kong office has now re-opened fully to staff as coronavirus spread has slowed. The directors are comfortable that the Company has the necessary financial resources in place to operate throughout this period of disruption.

Results and appropriations

The results of the Company for the year are set out in the statement of profit or loss and other comprehensive income on page 7.

The directors do not recommend any payment of dividend.

Share capital

Details of the movements in share capital of the Company are set out in note 17(a) of the financial statements.

Directors

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

Martin J O'Brien (Appointed 18 March 2020)
David S Henderson (Chief Executive)
Jennifer K J Leong
Angus N G Macdonald
Anthony R Tait (Chair)

There being no provision in the Company's articles of association in connection with the retirement of directors, all existing directors continue in office for the following year.

Directors' interests in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company

At no time during the year was the Company, or its holding company or fellow subsidiaries, a party to any arrangement to enable the directors of the Company (including their spouse and children under 18 years of age) to hold any interests in the shares or underlying shares in, or debentures of, the Company or its specified undertakings.

Directors' interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No transactions, arrangements and contracts of significance in relation to the Company's business to which the Company's fellow subsidiaries or its holding company was a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.


Professional indemnity insurance

The Baillie Gifford Group, which includes the Company, maintains liability insurance for directors and officers. This is a permitted indemnity provision for the purposes of the Hong Kong Companies Ordinance.

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board



Angus N G Macdonald
Director

Independent Auditor's Report

To the Directors of Baillie Gifford Asia (Hong Kong) Limited
(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The financial statements of Baillie Gifford Asia (Hong Kong) Limited (the "Company") set out on pages 7 to 33, which comprise:

- the statement of financial position as at 31 March 2020;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 820 (Revised), "The Audit of Licensed Corporations and Associated Entities of Intermediaries" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Report of the directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the directors are required to ensure that the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

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. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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. In addition, we are required to obtain reasonable assurance about whether the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

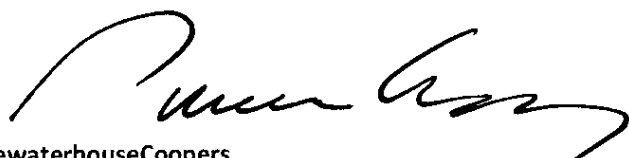
As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on matters under the Hong Kong Securities and Futures (Keeping of Records) Rules and Hong Kong Securities and Futures (Accounts and Audit) Rules of the Hong Kong Securities and Futures Ordinance

In our opinion, the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 9 June 2020

Statement of profit or loss and other comprehensive income for the year ended 31 March 2020 (Expressed in Hong Kong dollars)

	<i>Note</i>	2020 \$	2019 \$
Revenue	3, 20	52,718,121	38,187,579
Other (expense)/income	4	(509,597)	(479,700)
Staff costs	5(a)	(25,442,880)	(17,064,331)
Operating expenses	5(b)	(22,470,820)	(17,387,919)
Profit before taxation		4,294,824	3,255,629
Income tax expense	6(b)	(791,166)	(717,496)
Profit and total comprehensive income for the year		3,503,658	2,538,133

The notes on pages 12 to 33 form part of these financial statements.

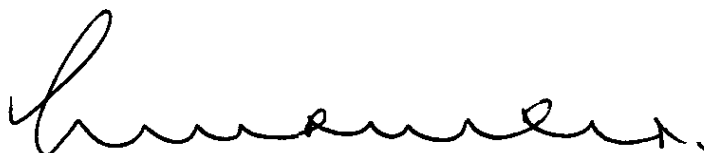
Statement of financial position as at 31 March 2020 (Expressed in Hong Kong dollars)

	Note	2020 \$	2019 \$
Non-current assets			
Property, plant and equipment	8(a)	1,606,965	1,145,357
Right-of-use assets	8(b)	7,423,460	-
Intangible assets	9	10,760	33,332
Deposits		3,232,013	2,925,979
Employee benefits	10	3,634,820	3,258,649
Other receivables		82,371	58,684
Deferred tax assets	13(b)	1,118,299	869,173
		17,108,688	8,291,174
Current assets			
Employee benefits	10	397,095	331,907
Prepayments and short-term deposits		2,178,376	1,616,690
Amount due from ultimate parent	20	4,589,888	1,578,983
Amount due from immediate holding company	20	3,343,691	3,855,813
Other receivables		128,219	122,839
Current tax assets	13(a)	-	280,353
Placements with bank	11	500,000	500,000
Cash and cash equivalents	12	18,568,396	22,134,982
		29,705,665	30,421,567
Current liabilities			
Trade and other payables		1,364,555	792,287
Amount due to ultimate parent	14, 20	3,754,819	784,788
Amount due to immediate holding company	15, 20	555,795	7,569,558
Amount due to affiliate	20	833,812	-
Current tax liabilities	13(a)	391,764	282,982
Lease liabilities	8(b)	5,329,673	-
		12,230,418	9,429,615
Net current assets		17,475,247	20,991,952
Non-current liability			
Lease liabilities	8(b)	1,811,855	-
Provision	16	820,275	726,800
		2,632,130	726,800
NET ASSETS		31,951,805	28,556,326

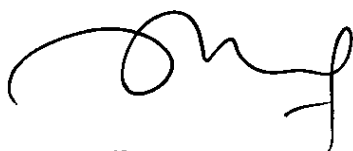
Statement of financial position as at 31 March 2020 (Expressed in Hong Kong dollars)
(continued)

	Note	2020 \$	2019 \$
CAPITAL AND RESERVES			
Share capital	17(a)	20,000,000	20,000,000
Other reserves	17(b)	11,951,805	8,556,326
TOTAL EQUITY		31,951,805	28,556,326

Approved and authorised for issue by the board of directors on 9 June 2020.



Angus N G Macdonald
Director



Jennifer K J Leong
Director

The notes on pages 12 to 33 form part of these financial statements

Statement of Changes in Equity for the year ended 31 March 2020
(Expressed in Hong Kong dollars)

	Share Capital	Other Reserves	Total
	\$	\$	\$
Balance at 1 April 2018	20,000,000	6,018,193	26,018,193
Profit and total comprehensive income for the year	-	2,538,133	2,538,133
Balance at 31 March 2019	20,000,000	8,556,326	28,556,326
	\$	\$	\$
Balance at 1 April 2019 as originally presented	20,000,000	8,556,326	28,556,326
Change in accounting policy ¹	-	(108,179)	(108,179)
Restated total equity at 1 April 2019	20,000,000	8,448,147	28,448,147
Profit and total comprehensive income for the year	-	3,503,658	3,503,658
Balance at 31 March 2020	20,000,000	11,951,805	31,951,805

The notes on pages 12 to 33 form part of these financial statements.

¹ A change in other reserves is recognised due to the new adoption of HKFRS 16 Leases in the current year as stated in note 2 (c).

Cash flow statement for the year ended 31 March 2020

(Expressed in Hong Kong dollars)

	Note	2020 \$	2019 \$
Operating activities			
Profit before taxation		4,294,824	3,255,629
Adjustments for:			
Lease financing	5(b)	294,680	-
Depreciation		5,626,112	829,917
Amortisation		22,572	22,572
Deferred bonus		647,772	1,016,325
Operating profit before changes in working capital		10,885,960	5,124,443
Increase in deposits		(306,034)	(4,557)
Increase in employee benefits		(1,089,131)	(1,405,613)
Increase in prepayments and short-term deposits		(1,017,446)	(468,635)
Increase in amounts due from ultimate parent		(3,010,905)	(1,035,725)
Increase in other receivables		(29,067)	(181,523)
Decrease/(increase) in amounts due from immediate holding company		512,122	(3,344,063)
Increase in trade and other payables		572,268	91,265
Increase in amount due to ultimate parent		2,970,031	578,721
(Decrease)/increase in amount due to immediate holding company		(7,013,763)	7,569,558
Increase in amount due to affiliate		833,812	-
Net cash inflow from operating activities		3,307,847	6,923,871
Investing activity			
Purchase of property, plant and equipment		(754,156)	-
Net cash outflow from investing activity		(754,156)	-
Financing activities			
Principal element of lease payments		(5,174,440)	-
Lease financing	8(b)	(294,680)	-
Net cash outflow from financing activities		(5,469,120)	-
Tax paid		(651,157)	(1,184,508)
Net (decrease)/increase in cash and cash equivalents		(3,566,586)	5,739,363
Cash and cash equivalents at the beginning of the year		22,134,982	16,395,619
Cash and cash equivalents at the end of the year	12	18,568,396	22,134,982

The notes on pages 12 to 33 form part of these financial statements.

Notes to the financial statements (Expressed in Hong Kong dollars)

1. General information

Baillie Gifford Asia (Hong Kong) Limited (the "Company") is a limited liability company incorporated in Hong Kong on 27 April 2015. The Company is engaged in the provision of marketing and distribution services. The Company is registered with the Hong Kong Securities and Futures Commission of Hong Kong as a licensed corporation for regulated activity of Asset Management (Type 1) under the Hong Kong Securities and Futures Ordinance ("SFO"). A licence to carry on regulated activity of Asset Management (Type 1) was issued to the Company on 16 December 2015.

The business address is 30th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

These financial statements are presented in Hong Kong dollars ("HK\$"), rounded to the nearest dollar, unless otherwise stated.

2. Summary of significant accounting policies

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

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Notes to the financial statements

(Expressed in Hong Kong dollars) *(continued)*

2. Summary of significant accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) New and amended standards adopted by the Company

The Company has applied the following standard and amendments for the first time for the annual reporting period commencing on or after 1 April 2019:

- HKFRS 16, 'Leases'

The Company had to change its accounting policies as a result of adopting HKFRS 16. The Company elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 April 2019.

The Company has adopted HKFRS 16 retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 April 2019. The new accounting policies are disclosed in note 2(h).

On adoption of HKFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of HKAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 3%.

(i) Practical expedients applied

The Company has elected not to apply any practical expedient.

Notes to the financial statements

(Expressed in Hong Kong dollars) *(continued)*

2. Summary of significant accounting policies *(continued)*

(c) Basis of preparation of the financial statements (continued)

(ii) Measurement of lease liabilities

	2020 \$
Operating lease commitments disclosed as at 31 March 2019	<u>14,246,053</u>
Discounted using the lessee's incremental borrowing rate at the date of initial application	<u>12,315,968</u>
Lease liabilities recognised as at 1 April 2019	
Of which are:	
Current lease liabilities	5,174,440
Non-current lease liabilities	<u>7,141,528</u>
	<u>12,315,968</u>

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial statement as at 31 March 2019.

(iv) Adjustment recognised in the statement of financial position on 1 April 2019

The change in accounting policy affected the following items in the statement of financial statement on 1 April 2019:

- right-of-use assets - increase by HK\$12,663,549
- lease liabilities - increase by HK\$12,315,968
- prepaid rent - decrease by HK\$455,760
- other reserves - decrease by HK\$108,179

(d) Standards and interpretations that have been issued but not effective and have not been early adopted

There are no other standards that are not yet effective that would be expected to have a material impact on the entity or future reporting periods and on foreseeable future transactions.

Notes to the financial statements

(Expressed in Hong Kong dollars) *(continued)*

2. Summary of significant accounting policies *(continued)*

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in HK\$ which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(f) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Leasehold improvements	The shorter of 10 years or the duration of the lease
- Fixtures, fitting and furniture	4 years
- Computer equipment	4 years
- Network equipment	10 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

The carrying amounts of property, plant and equipment are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Notes to the financial statements

(Expressed in Hong Kong dollars) *(continued)*

2. Summary of significant accounting policies *(continued)*

(f) Property, plant and equipment (continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit and loss on the date of retirement or disposal.

(g) Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

- | | |
|---------------------|---------|
| - Software licenses | 5 years |
|---------------------|---------|

Both the period and method of amortisation are reviewed annually.

(h) Leases

As explained in note 2(c) above, the Company has changed its accounting policy for leases where the group is the lessee. The new policy is explained below and the impact of the change in note 2(c).

Until 31 March 2019, leases where a significant portion of risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases (note 18). Payments made under operating leases were charged to the profit and loss account on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability.

Assets and liabilities arising from these arrangements are initially measured on a present value basis. The lease payments are discounted at the Company's incremental borrowing rate, being the rate which the Company would be required to pay in order to borrow the funds necessary to obtain an asset of similar value.

The right-of-use asset is measured at cost, and depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

(i) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Notes to the financial statements

(Expressed in Hong Kong dollars) *(continued)*

2. Summary of significant accounting policies *(continued)*

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds

(k) Deposits and receivables

Deposits are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Receivables are recognised initially at fair value, less provision for impairment. From 1 January 2018, the Company assesses on a forward looking basis, by considering both historical and forward looking information, the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In the prior reporting periods, provision for impairment of receivables 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.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(m) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Company has a bonus scheme available for its eligible employees which is accounted for as a long-term benefit plan under HKFRS 19 Employee Benefits as the awards are deferred for 18, 30 and 42 months. The scheme that the Company participates in is a group plan that shares risks between entities under common control. The Company recognises an asset equal to the contributions payable for the period netted against the benefit liability at the reporting date. The costs of the deferred bonus awards are recognised as an expense, based on the grant date cost, on a straight line basis from the start of the bonus award period to the settlement date.

Notes to the financial statements (Expressed in Hong Kong dollars) *(continued)*

2. Summary of significant accounting policies *(continued)*

(n) Income tax

The tax expense for the year comprises current and deferred tax. To the extent that tax relates to items recognised in other comprehensive income or directly in equity, it is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(o) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

2. Summary of significant accounting policies (continued)

(p) Revenue recognition

Revenue is recognised when the Company satisfies its performance obligation by transferring control of the promised service to the customer. Service fee income from providing services is recognised in the accounting period in which the services are rendered.

3. Revenue

The Company has provided marketing and client service support to its immediate holding company, Baillie Gifford Overseas Limited ("BGO"), and administrative support to the ultimate parent company, Baillie Gifford & Co ("BG & Co"), during the year.

	2020 \$	2019 \$
Distribution, marketing & client service support fee	44,528,233	33,180,442
Administrative support fee	8,189,888	5,007,137
	52,718,121	38,187,579

4. Other (expense)/income

	2020 \$	2019 \$
Unrealised foreign exchange (loss)/gain	(543,565)	(442,862)
Realised foreign exchange gain/(loss)	31,718	(37,628)
Other interest	-	35
Deposit interest	2,250	755
Other (expense)/income	(509,597)	(479,700)

5. Profit before taxation

Profit before taxation is arrived at after charging:

	2020 \$	2019 \$
(a) Staff costs		
Contributions to defined contribution retirement plan	1,250,693	408,490
Salaries, wages and other benefits	24,192,187	16,655,841
	25,442,880	17,064,331

Notes to the financial statements
(Expressed in Hong Kong dollars) *(continued)*

5. Profit before taxation *(continued)*

(b) Operating expenses

	2020	2019
	\$	\$
Depreciation expenses	5,626,112	829,917
Amortisation expenses	22,572	22,572
Operating lease charges: minimum lease payments	-	5,441,838
Lease financing	294,680	-
Auditors' remuneration	275,012	230,021
Legal fees	868,943	90,038
Other operating expenses	15,383,501	10,773,533
	22,470,820	17,387,919

6. Income tax expense in the statement of profit or loss and other comprehensive income

(a) Taxation charged/(credited) to profit or loss:

	2020	2019
	\$	\$
Current tax – Profits Tax		
Provision for HK Profits Tax for the year	689,530	636,367
Provision for UK Corporation Tax for the year	350,762	282,982
Tax overprovided in previous year	-	(44,720)
	1,040,292	874,629
Deferred tax		
Origination and of temporary differences for UK Corporation Tax (note 13(b))	(249,126)	(157,133)
	791,166	717,496

The provision for Hong Kong Profits Tax for 2020 is calculated at 8.25% for the first \$2 million and 16.5% thereafter (2019: 16.5%) of the assessable profits for the year. The Company is a dual tax resident in Hong Kong and the UK and pays additional tax up to the UK tax rate of 19% (2019: 19%).

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

6. Income tax in the statement of profit or loss and other comprehensive income (continued)

(b) Reconciliation between tax expense charged to profit or loss and accounting profit at applicable tax rates:

	2020 \$	2019 \$
Profit before taxation	4,294,824	3,255,629
Notional tax on profit before taxation calculated at 19% (2019: 19%)	816,017	618,570
Tax effect of non-deductible expenses	224,275	143,646
Deferred tax	(249,126)	-
Tax overprovided in previous year	-	(44,720)
Actual tax expense	791,166	717,496

7. Directors' remuneration

Director's remuneration disclosed pursuant to section 383(1) of the new Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	2020 \$	2019 \$
Directors fees	-	112,257
Salaries, allowances and benefits in kind	16,693,807	14,083,968
Retirement scheme contributions	153,697	153,699
	16,847,504	14,349,924

Apart from the directors of the Company, there is no other key management personnel. Accordingly, the directors' remuneration is the same as that for key management personnel, which has been included in "staff costs" in profit and loss.

Notes to the financial statements
(Expressed in Hong Kong dollars) *(continued)*

8. Property, plant and equipment and leases

(a) Property, plant and equipment

	Leasehold improvements, fixtures, fitting and furniture \$	Computer Equipment and network equipment \$	Total \$
Cost:			
At 1 April 2018	3,743,792	1,293,983	5,037,775
Increase in provision for office premises reinstatement	78,900	-	78,900
At 31 March 2019	3,822,692	1,293,983	5,116,675
Accumulated depreciation:			
At 1 April 2018	2,735,889	405,512	3,141,401
Charged for the year	653,061	176,856	829,917
At 31 March 2019	3,388,950	582,368	3,971,318
Net book value:			
At 1 April 2018	1,007,903	888,471	1,896,374
At 31 March 2019	433,742	711,615	1,145,357

	Leasehold improvements, fixtures, fitting and furniture \$	Computer equipment and network equipment \$	Total \$
Cost:			
At 1 April 2019	3,822,692	1,293,983	5,116,675
Additions	754,156	-	754,156
Increase in provision for office premises reinstatement	93,475	-	93,475
At 31 March 2020	4,670,323	1,293,983	5,964,306
Accumulated depreciation:			
At 1 April 2019	3,388,950	582,368	3,971,318
Charged for the year	235,602	150,421	386,023
At 31 March 2020	3,624,552	732,789	4,357,341
Net book value:			
At 1 April 2019	433,742	711,615	1,145,357
At 31 March 2020	1,045,771	561,194	1,606,965

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

8. Property, plant and equipment and leases (continued)

(b) Leases

(i) The balance sheet shows the following amounts relating to leases:

	Right-of-use asset \$
Cost:	
At 1 April 2019	-
Adjustment for change in accounting policy	12,663,549
Restated at 1 April 2019	12,663,549
Additions	-
At 31 March 2020	12,663,549
Accumulated depreciation:	
At 1 April 2019	-
Charged for the year	5,240,089
At 31 March 2020	5,240,089
Net book value:	
At 1 April 2019	-
At 31 March 2020	7,423,460

(ii) Lease liabilities

	2020 \$	2019 \$
Current	5,329,673	-
Non-current	1,811,855	-
	7,141,528	-

(iii) Amounts recognised in the statement of profit or loss

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	Note	2020 \$	2019 \$
Right-of-use assets			
Depreciation	8(b)(i)	5,240,089	-
Interest expense	5(b)	294,680	-
		5,534,769	-

The total cash outflow for leases in the year was HK\$5,469,120.

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

9. Intangible assets

	2020 Software licenses \$	2019 Software licences \$
Cost:		
At 1 April 2019/1 April 2018	108,096	108,096
Additions	-	-
At 31 March 2020/31 March 2019	108,096	108,096
Accumulated amortisation:		
At 1 April 2019/1 April 2018	74,764	52,192
Charged for the year	22,572	22,572
At 31 March 2020/31 March 2019	97,336	74,764
Net book value		
At 1 April 2019/1 April 2018	33,332	55,904
At 31 March 2020/31 March 2019	10,760	33,332

10. Long-term employee benefits

	2020 \$	2019 \$
Benefit contributions payable	10,707,979	8,885,883
Benefits vested during the year	(1,934,063)	(1,201,098)
Benefits accrued to employees	(4,742,001)	(4,094,229)
Net employee benefits	4,031,915	3,590,556
Net employee benefits due after more than one year	3,634,820	3,258,649
Net employee benefits due within one year	397,095	331,907
	4,031,915	3,590,556

11. Placements with bank

	2020 \$	2019 \$
Placements with bank		
- Maturing after three months	500,000	500,000

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

12. Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank	18,543,784	22,123,729
Cash in hand	24,612	11,253
Cash and cash equivalents	18,568,396	22,134,982

13. Income tax in the statement of financial position

(a) Current taxation in the statement of financial position represents:

	2020 \$	2019 \$
Provision for Hong Kong Profits Tax for the year	41,002	(280,353)
Provision for UK Corporation Tax for the year	350,762	282,982
	391,764	2,629

(b) Deferred tax assets recognised:

The components of deferred tax assets recognised in the statement of financial position and the movements during the year are as follows:

Deferred tax assets arising from:	Depreciation in excess of the related Capital Allowances \$	Bonus Deferral \$	Total \$
At 1 April 2018	131,239	580,801	712,040
Credited to profit or loss	7,523	149,610	157,133
At 31 March 2019	138,762	730,411	869,173
At 1 April 2019	138,762	730,411	869,173
Credited to profit or loss	78,555	170,571	249,126
At 31 March 2020	217,317	900,982	1,118,299

Notes to the financial statements
(Expressed in Hong Kong dollars) *(continued)*

14. Amount due to ultimate parent

The amount represents monies due in the ordinary course of business and is expected to be paid within one year.

15. Amount due to immediate holding company

The amount represents monies due in the ordinary course of business and is expected to be paid within one year.

16. Provision

	Office premises reinstatement \$
At 1 April 2018	647,900
Increased provision	<u>78,900</u>
At 31 March 2019	<u>726,800</u>
	Office premises reinstatement \$
At 1 April 2019	726,800
Increased provision	<u>93,475</u>
At 31 March 2020	<u>820,275</u>

The provision is the cost expected to settle contractual obligations pursuant to a lease agreement under which the Company, as a tenant, has to remove all the alterations and additions and reinstate the office premises to the landlord's satisfaction at the end of the lease term on 31 August 2021.

17. Capital and Reserves

(a) Ordinary shares, issued and fully paid:

	No. of shares	\$
At 31 March 2019 and 2020	<u>20,000,000</u>	<u>20,000,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

17. Capital and Reserves (continued)

(b) Changes in capital and reserves

	Share capital \$	Other reserves \$	Total \$
At 1 April 2018	20,000,000	6,018,193	26,018,193
Profit and total comprehensive income for the year	-	2,538,133	2,538,133
At 31 March 2019	20,000,000	8,556,326	28,556,326
	Share capital \$	Other reserves \$	Total \$
At 1 April 2019 as originally presented	20,000,000	8,556,326	28,556,326
Change in accounting policy	-	(108,179)	(108,179)
Restated at 1 April 2019	20,000,000	8,448,147	28,448,147
Profit and total comprehensive income for the year	-	3,503,658	3,503,658
At 31 March 2020	20,000,000	11,951,805	31,951,805

(c) Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Company defines "capital" as including all components of equity less unaccrued proposed dividends. Trading balances that arise as a result of trading transactions with other group companies are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the group, to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of the Hong Kong Companies Ordinance.

In addition, as a licensed corporation registered under the Hong Kong Securities and Futures Ordinance, the Company is also subject to the capital requirements of the Hong Kong Securities and Futures (Financial Resources) Rules ("FRR"). The minimum liquid capital requirement is the higher of \$3,000,000 and the variable required liquid capital as defined in the FRR. The Company monitors its compliance with the requirements of the FRR on a regular basis. The Company complied with the requirements of the FRR at all times during the year from 1 April 2019 to 31 March 2020.

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

(c) Capital management (continued)

The Company's strategy is to maintain a higher capital level than the regulatory requirements of the Securities and Futures Commission (the "SFC"). The Company continually reviews its capital adequacy and structure to ensure the regulatory capital is met and adequate funds are available to support business operation and growth.

18. Operating lease commitments

At the end of the year, the Company had commitments under non-cancellable operating leases in respect of rented premises as follows:

	2020 \$	2019 \$
Operating leases fully due:		
Within one year	-	5,894,919
In the second to fifth year	-	8,351,134
	-	14,246,053

On adoption of HKFRS 16 from 1 April 2019, the Company recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of HKAS 17 "Leases". Please see Note 2(c).

19. Financial risk management

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Company's business. The Company's exposure to these risks and the financial risk management policies and practices used by the Company to manage these risks are described below.

(a) Credit risk

Credit risk arises from bank balances, deposits and amount due from related parties. It relates to the extent to which failures by counterparties to discharge their obligations could reduce the amount of future cash flows from financial assets on hand as at the reporting date.

The carrying amount of the bank balances, deposits and amount due from related parties in the statement of financial position represents the Company's maximum exposure to credit risk in relation to the Company's financial assets.

The management measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss.

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

19. Financial risk management (continued)

(a) Credit risk (continued)

The Company applies the HKFRS 9 general approach for the cash and bank balances, non-trade related intercompany receivables, deposits and other receivables and simplified approach to measure the expected credit losses allowance which uses a lifetime expected loss allowance for all trade related intercompany receivables.

The identified impairment loss under simplified approach was immaterial as the history of credit losses from management fee receivables and trade related intercompany receivables are minimal.

The directors consider that credit risk arising from deposits and amount due from related parties to be minimal and no loss allowance need to be provided. The directors consider credit risk associated with bank balances held at The Hongkong and Shanghai Banking Corporation Ltd to be low as it has Standard and Poor's credit rating of AA- (2019: AA-) as at 31 March 2020.

(b) Liquidity risk

The Company is subject to liquidity requirements under FRR of the SFC in Hong Kong.

The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates and the earliest date the Company can be required to pay.

Contractual undiscounted cash outflow						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 March 2019
2019	\$	\$	\$	\$	\$	\$
Trade and other payables	792,287	-	-	-	792,287	792,287
Amount due to ultimate parent	784,788	-	-	-	784,788	784,788
Amount due to immediate holding company	7,569,558	-	-	-	7,569,558	7,569,558
Provision	-	-	726,800	-	726,800	726,800
	<u>9,146,633</u>	<u>-</u>	<u>726,800</u>	<u>-</u>	<u>9,873,433</u>	<u>9,873,433</u>

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

19. Financial risk management (continued)

(b) Liquidity Risk (continued)

2020	Within 1 year or on demand \$	More than 1 year but less than 2 years \$	More than 2 years but less than 5 years \$	More than 5 years \$	Total \$	Carrying amount at 31 March 2020 \$
Trade and other payables	1,364,555	-	-	-	1,364,555	1,364,555
Amount due to ultimate parent	3,754,819	-	-	-	3,754,819	3,754,819
Amount due to immediate holding company	555,795	-	-	-	555,795	555,795
Amount due to affiliate	833,812	-	-	-	833,812	833,812
Lease liabilities	5,469,120	1,823,040	-	-	7,292,160	7,292,160
Provision	-	820,275	-	-	820,275	820,275
	<u>11,978,101</u>	<u>2,643,315</u>	<u>-</u>	<u>-</u>	<u>14,621,416</u>	<u>14,621,416</u>

(c) Interest rate risk

The majority of the Company's financial assets and liabilities are non-interest bearing and cash and deposits at banks which are short-term and highly liquid. The exposures to interest rate risk due to fluctuations of market interest rate are monitored by management on an ongoing basis. The management considers that the Company's exposure to interest rate risk is minimal. Changes in interest rates have minimal effect of the net assets of the Company.

(d) Currency risk

The Company's functional currency is Hong Kong dollars. The Company is exposed to currency risk primarily through intercompany fees and other payables that are denominated in British Pounds ("GBP").

(i) Exposure to currency risk

The following table details the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in foreign currencies. For presentation purposes, the amounts of the exposure are expressed in Hong Kong dollars.

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

19. Financial risk management (continued)

(i) Exposure to currency risk (continued)

	2020 \$	2019 \$
Deferred tax assets	1,118,299	869,173
Amount due to ultimate parent	(3,754,819)	(784,788)
Amount due to immediate holding company	(555,795)	-
Amount due to affiliate	(833,812)	-
Tax payable	(350,762)	(282,982)
Amount due from ultimate parent	-	171,845
Amount due from immediate holding company	-	3,855,813
Employee benefit assets	4,031,915	3,590,556
Foreign currency cash	23,937	13,562
Trade and other receivables	150,514	181,522
Trade and other payables	(293,794)	(680,904)
Net exposure to currency risk	(464,317)	6,933,797

(ii) Sensitivity analysis

The following table indicates the instantaneous change on the Company's profit after tax and retained profits that would arise if foreign exchange rates to which the Company has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2019	
	Increase/(decrease) in foreign exchange rates %	Effect on profit after tax and retained profits \$
British Pound	10	855,633
	(10)	(855,633)

	2020	
	Increase/(decrease) in foreign exchange rates %	Effect on profit after tax and retained profits \$
British Pound	9	1,075,662
	(9)	(1,075,662)

Notes to the financial statements

(Expressed in Hong Kong dollars) (continued)

20. Transactions with other related parties

During the year, the Company entered into the following material related party transactions:

	Note	2020 \$	2019 \$
Resource provision charge paid to ultimate parent	(i)	(2,466,125)	(920,560)
Resource provision charge paid to affiliate	(ii)	(833,812)	-
Administrative service fee paid to immediate holding company	(iii)	(4,143,055)	(3,158,485)
Administrative support fee received from the ultimate parent	(iv)	8,189,888	5,007,138
Marketing & client liaison fee received from immediate holding company	(v)	44,528,233	33,180,442
	Note	2020 \$	2019 \$
Amounts due from ultimate parent	(vi)	4,589,888	1,578,983
Amounts due from immediate holding company	(vi)	3,343,691	3,855,813
Amounts due to ultimate parent	(vi)	(3,754,819)	(784,788)
Amounts due to immediate holding company	(vi)	(555,795)	(7,569,558)
Amounts due to affiliate	(vi)	(833,812)	-

Notes:

- (i) The ultimate parent provided employees and partner resource to act on behalf of the Company for which the costs were recharged together with a fee plus a mark-up of 5%.
- (ii) An affiliate company provide a resource to act on behalf of the Company for which the costs were recharged together with a fee plus a mark-up of 5%.
- (iii) The immediate holding company provided administrative services to the Company for which a fee was paid equivalent to the costs of performing these services.
- (iv) The Company provided administrative support to the ultimate parent company for which the costs were recharged together with a fee plus a mark-up of 5%.
- (v) The Company provided distribution, marketing and client service support on behalf of its immediate holding company for which it received a fee based on the costs it incurred plus a mark-up of 10%.
- (vi) The outstanding balances with these related parties are unsecured, interest free and have no fixed repayment terms

Notes to the financial statements

(Expressed in Hong Kong dollars) *(continued)*

21. Immediate and ultimate controlling party

The Company is a wholly owned subsidiary of Baillie Gifford Overseas Limited ("BGO") which in turn is wholly owned by Baillie Gifford & Co ("BG & Co"). BGO is a UK company for which its financial statements are publicly available from Companies House, a government authority for registering limited companies. BG & Co is a Scottish Partnership and its financial statements are not publicly available.

22. Approval of financial statements

The financial statements were approved by the directors on 9 June 2020.