

PATHFINDERS LIMITED
(Incorporated in Hong Kong and limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

PATHFINDERS LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31 December 2013.

FINANCIAL STATEMENTS

The results for the year are set out in the statement of income and general fund on page 3.

The state of affairs of the company at 31 December 2013 is set out in the statement of financial position on page 4.

The cash flows of the company for the year are set out in the statement of cash flows on page 5.

PRINCIPAL ACTIVITIES

The principal activities of the company are rendering assistance to distressed migrant women and their Hong Kong-born children to find a safe and legal way home.

There have been no significant changes in the nature of these activities during the year.

DIRECTORS

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

Melissa Mowbray-d'Arbela	
Kylie Uebergang	
Kelly Creel Gave	(appointed on 2 May 2013)
Jennifer Walke Meehan	(appointed on 2 May 2013)
Poh Lee Tan	(appointed on 2 May 2013)
Mi Mi Au	(resigned on 10 October 2013)
Jennifer Lee-Shoy	(resigned on 31 December 2013)
Ranjan Marwah	(resigned on 31 March 2013)

In accordance with the company's Articles of Association, all directors retire at the forthcoming Annual General Meeting and, being eligible, are available for re-election.

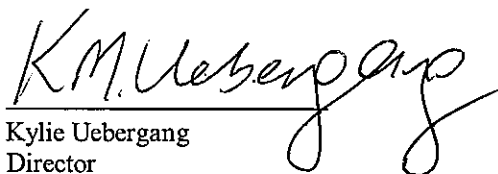
MANAGEMENT CONTRACTS

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.

AUDITORS

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, eligible, offer themselves for re-appointment.

On behalf of the Board


Kylie Uebergang
Director

13 JUN 2014

Certified Public Accountants

蒲錦文會計師事務所

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PATHFINDERS LIMITED****(Incorporated in Hong Kong and limited by guarantee)**

We have audited the financial statements of PathFinders Limited set out on pages 3 to 10, which comprise the statement of financial position as at 31 December 2013, the statement of income and general fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

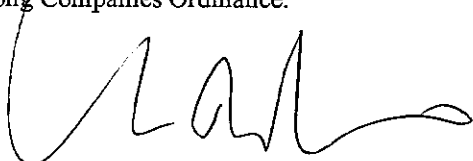
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its surplus and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

**WILLIAM PO & CO.**
Certified Public AccountantsHong Kong, **13 JUN 2014**

**STATEMENT OF INCOME AND GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2013**


	Notes	2013 HK\$	2012 HK\$
Income			
Donations		3,725,149	2,499,216
Grant income		552,056	-
Surplus on fund-raising events	4	970,512	-
Interest received		57	22
Sundry income		50	100
		<u>5,247,824</u>	<u>2,499,338</u>
Less: Expenditure			
Accounting fee		90,000	19,000
Audit fee		16,500	13,200
Bank charges		22,650	3,308
Books and subscriptions		587	1,867
Cleaning		1,920	4,933
Client expenses	5	2,812,527	1,634,155
Computer and website expenses		8,222	20,153
Electricity & water		976	2,606
Insurance		672	5,097
Local traveling		2,058	2,349
Meeting expenses		9,749	10,551
Minor equipment		395	-
Postage, stationery and supplies		2,273	11,797
Public relations expenses		28,150	24,626
Recruitment expenses		3,171	-
Rent		36,044	14,160
Staff costs - office administration		386,347	219,052
Staff training		3,381	-
Stamp duty		-	506
Sundry expenses		3,308	1,408
Telephone and fax		8,563	16,567
		<u>3,437,493</u>	<u>2,005,335</u>
Surplus for the year		1,810,331	494,003
General fund brought forward		1,172,602	678,599
General fund carried forward		2,982,933	1,172,602

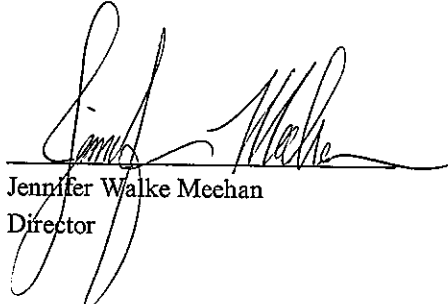
The notes on pages 6 to 10 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	2013 HK\$	2012 HK\$
Current assets			
Prepayments and other receivables	8	241,292	122,357
Cash and cash equivalents	9	3,457,655	1,178,802
		<u>3,698,947</u>	<u>1,301,159</u>
Current liabilities			
Accruals and other payables	10	138,799	87,447
Deferred grant income		577,215	41,110
		<u>716,014</u>	<u>128,557</u>
Net current assets		<u>2,982,933</u>	<u>1,172,602</u>
Net assets		<u>2,982,933</u>	<u>1,172,602</u>
Funds			
General fund		<u>2,982,933</u>	<u>1,172,602</u>

Approved by:


 Kylie Uebergang
 Director


 Jennifer Walke Meehan
 Director

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 HK\$	2012 HK\$
Operating activities			
Surplus for the year			
General fund		1,810,331	494,003
Adjustments for:			
Interest income		(57)	(22)
Operating cash flows before movements in working capital		<u>1,810,274</u>	<u>493,981</u>
Increase in prepayments and other receivables		(118,935)	(29,158)
Increase/(decrease) in accruals and other payables		51,352	(312,267)
Increase/(decrease) in deferred grant income		536,105	(600,890)
Cash generated from/(used in) operations		<u>2,278,796</u>	<u>(448,334)</u>
Interest received		57	22
Cash generated from/(used in) operating activities		<u>2,278,853</u>	<u>(448,312)</u>
Increase/(decrease) in cash and cash equivalents		2,278,853	(448,312)
Cash and cash equivalents at the beginning of the year		<u>1,178,802</u>	<u>1,627,114</u>
Cash and cash equivalents at the end of the year	9	<u><u>3,457,655</u></u>	<u><u>1,178,802</u></u>

The notes on pages 6 to 10 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1 GENERAL

The company has been incorporated under the Companies Ordinance as a company limited by guarantee without share capital. The company's registered office is located at Unit 2D, Worldwide Center, 123 Tung Chau Street, Tai Kok Tsui, Kowloon, Hong Kong. The principal activities of the company are rendering assistance to distressed migrant women and their Hong Kong-born children to find a safe and legal way home. Under the provision of its Memorandum and Articles of Association, every member shall, in the event of the company being wound up, contribute such amount as may be required to meet the liabilities of the company but not exceeding the sum of HK\$10 each.

2 PRINCIPAL ACCOUNTING POLICIES**(a) Basis of preparation**

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

(b) Recognition of revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when revenue can be measured reliably, on the following bases:

- * donations are recognised when the right to receive payment is established.
- * grants earmarked for specific purposes are initially recognised as deferred income. When there is reasonable assurance that the company will comply with the conditions attaching to the grants and the grants will be received, they are recognised in the statement of income and general fund over the period necessary to match with the related costs which they are intended to compensate.

grants which are general in nature but used by the company for a period specified are recognized on an accrual basis.
- * interest on a time proportion basis that takes into account the effective yield on the asset.

(c) Employee benefits

- i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the company of non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the company. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- ii) The company operates a Mandatory Provident Fund scheme ("MPF scheme") for the employees. Contributions are made based on a percentage of the employee's basic salaries and are charged to the income statement as they become payable. The assets of the MPF Scheme are held in an independently administered fund. The company's contributions vest fully with the employees when contributed into the MPF Scheme.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

2 PRINCIPAL ACCOUNTING POLICIES (cont'd)

(d) Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost, less provision for impairment. A provision for impairment of trade 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.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and demand deposits with original maturities of three months or less.

(f) Payables

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

3 TAXATION

No provision for Hong Kong profits tax is made in the financial statements as the company is an approved charitable institution, and has obtained exemption from Hong Kong profits tax.

4 SURPLUS ON FUND-RAISING EVENTS

Fund-raising events	Income HK\$	Expenditure HK\$	Surplus HK\$
5th Anniversary	1,157,048	(243,160)	913,888
Comedy Night	45,854	-	45,854
Others	10,770	-	10,770
	<u>1,213,672</u>	<u>(243,160)</u>	<u>970,512</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013

5 CLIENT EXPENSES

	2013	2012
	HK\$	HK\$
Allowances	89,735	103,771
Cleaning	18,127	12,838
Contraceptive cost	4,316	-
Electricity and water	35,442	25,702
Government and consulate	16,805	24,015
Insurance	9,178	1,250
Job seeking and training	600	2,600
Loan advance to clients written off	19,965	12,250
Maintenance	4,956	-
Medical costs	19,410	45,994
Meeting expenses	6,124	6,492
Minor equipment	16,096	710
Outreach	12,457	7,870
Postage, fax and calls	22,403	5,753
Presentors	55,040	34,600
Property agency fee for shelter	7,250	-
Remittance charges	1,892	3,108
Staff cost - programs	1,936,616	910,735
Stamp duty	833	-
Supplies	87,370	59,921
Telecommunication expenses	12,249	17,573
Traveling for clients	38,426	82,377
Venue cost - programs	165,124	144,596
Rental - shelter	232,113	132,000
	<u>2,812,527</u>	<u>1,634,155</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

6 STAFF COSTS

The company has allocated staff costs included to respective activities. Total staff costs of the company for the year are summarised as follows:

	2013	2012
	HK\$	HK\$
Client expenses	1,936,616	910,735
Office administration	386,347	219,052
	<u>2,322,963</u>	<u>1,129,787</u>

Analysis of the total staff costs is as follows:

	2013	2012
	HK\$	HK\$
Salaries	2,231,469	1,081,530
Retirement scheme contributions	91,494	48,257
	<u>2,322,963</u>	<u>1,129,787</u>

7 DIRECTORS' EMOLUMENTS

During the years ended 31 December 2013 and 31 December 2012, no amounts have been paid in respect of directors' emoluments, directors' or directors' pensions or for any compensation to directors or past directors in respect of loss of office.

8 PREPAYMENTS AND OTHER RECEIVABLES

	2013	2012
	HK\$	HK\$
Loan advance to clients	4,510	15,740
Other receivables	67,200	2,040
Prepayments	57,640	26,885
Rental and utility deposit	111,942	77,692
	<u>241,292</u>	<u>122,357</u>

9 CASH AND CASH EQUIVALENTS

	2013	2012
	HK\$	HK\$
Cash at bank	2,457,638	1,178,802
Time deposit with maturity within 3 months	1,000,017	-
	<u>3,457,655</u>	<u>1,178,802</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013

10 ACCRUALS AND OTHER PAYABLES

	2013	2012
	HK\$	HK\$
Accruals	112,816	43,635
Amount due to a director	4,522	22,314
Other payables	21,461	21,498
	<u>138,799</u>	<u>87,447</u>

11 OPERATING LEASE COMMITMENTS

At the year end date, the company had commitments under non-cancellable operating leases, which fall due as follows:

	2013	2012
	HK\$	HK\$
Within one year	480,876	243,039
Within two to five years	140,645	150,876
	<u>621,521</u>	<u>393,915</u>

12 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on **13 JUN 2014**