

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

PATHFINDERS LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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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 2014.

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 2014 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
Jennifer Walke Meehan
Poh Lee Tan

All existing directors continue to hold office.

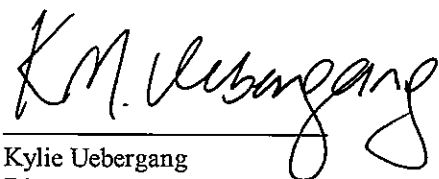
MANAGEMENT CONTRACTS

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

26 MAY 2015

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 2014, 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, in accordance with section 80 of Schedule 11 to 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.

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 2014 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, **26 MAY 2015**

STATEMENT OF INCOME AND GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2014

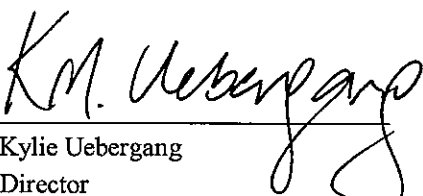
	Notes	2014 HK\$	2013 HK\$
Income			
Donations		2,820,979	3,725,149
Grant income		1,001,550	552,056
Surplus on fund-raising events	4	1,704,931	970,512
Grant for renovation of centre		241,141	-
Interest received		196	57
Sundry income		-	50
		<u>5,768,797</u>	<u>5,247,824</u>
Less: Expenditure			
Accounting fee		-	90,000
Audit fee		17,300	16,500
Bank charges		9,462	22,650
Books and subscriptions		-	587
Cleaning		2,425	1,920
Client expenses	5	3,750,394	2,812,527
Computer and website expenses		2,830	8,222
Electricity & water		1,316	976
Insurance		1,082	672
Local traveling		3,118	2,058
Meeting expenses		11,203	9,749
Postage, stationery and supplies		1,363	2,273
Professional fee		875	-
Public relations expenses		12,028	28,150
Recruitment expenses		8,632	3,171
Renovation cost		241,141	-
Rent		30,233	36,044
Staff costs - office administration		398,129	386,347
Staff training		7,528	3,381
Sundry expenses		3,721	3,703
Telephone and fax		3,275	8,563
		<u>4,506,055</u>	<u>3,437,493</u>
Surplus for the year		1,262,742	1,810,331
General fund brought forward		2,982,933	1,172,602
General fund carried forward		4,245,675	2,982,933

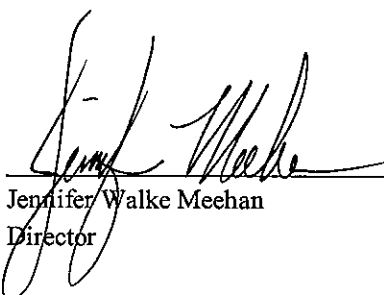
The notes on pages 6 to 10 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	2014 HK\$	2013 HK\$
Current assets			
Prepayments and other receivables	8	380,510	241,292
Cash and cash equivalents	9	4,567,020	3,457,655
		<u>4,947,530</u>	<u>3,698,947</u>
Current liabilities			
Accruals and other payables	10	150,610	138,799
Deferred grant income		551,245	577,215
		<u>701,855</u>	<u>716,014</u>
Net current assets		<u>4,245,675</u>	<u>2,982,933</u>
Net assets		<u>4,245,675</u>	<u>2,982,933</u>
Funds			
General fund		<u>4,245,675</u>	<u>2,982,933</u>

Approved by:


Kylie Uebergang
Director


Jennifer Walke Meehan
Director

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 HK\$	2013 HK\$
Operating activities			
Surplus for the year		1,262,742	1,810,331
Adjustments for:			
Interest income		(196)	(57)
Operating cash flows before movements in working capital		1,262,546	1,810,274
Increase in prepayments and other receivables		(139,218)	(118,935)
Increase in accruals and other payables		11,811	51,352
(Decrease)/increase in deferred grant income		(25,970)	536,105
Cash generated from operations		1,109,169	2,278,796
Interest received		196	57
Net cash generated from operating activities		1,109,365	2,278,853
Increase in cash and cash equivalents		1,109,365	2,278,853
Cash and cash equivalents at the beginning of the year		3,457,655	1,178,802
Cash and cash equivalents at the end of the year	9	4,567,020	3,457,655

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 2014**

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 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 SIGNIFICANT 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 Predecessor Hong Kong Companies Ordinance Cap 32 ("the 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 2014**

2 SIGNIFICANT 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

	Income	Expenditure	Surplus/ (deficit)
Fund-raising events	HK\$	HK\$	HK\$
5th Anniversary	467,137	(2,091)	465,046
6th Anniversary	1,539,498	(407,457)	1,132,041
SAR Philharmonic	220,730	(103,885)	116,845
Others	8,689	(17,690)	(9,001)
	<u>2,236,054</u>	<u>(531,123)</u>	<u>1,704,931</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2014

5 CLIENT EXPENSES

	2014	2013
	HK\$	HK\$
Allowances	53,713	89,735
Cleaning	21,826	18,127
Contraceptive cost	13,389	4,316
Electricity and water	44,313	35,442
Government and consulate	25,279	16,805
Indonesian field trip	22,199	-
Insurance	11,814	9,178
Job seeking and training	200	600
Loan advance to clients written off	3,021	19,965
Maintenance	26,952	4,956
Medical costs	46,119	19,410
Meeting expenses	6,670	6,124
Minor equipment	4,139	16,096
Outreach	50,758	12,457
Postage, fax and calls	14,997	22,403
Presentors	34,630	55,040
Property agency fee for shelter	-	7,250
Remittance charges	861	1,892
Rental - shelter	330,000	232,113
Staff cost - programs	2,739,947	1,936,616
Stamp duty	568	833
Supplies	44,125	87,370
Telecommunication expenses	25,289	12,249
Traveling for clients	46,077	38,426
Venue cost - programs	183,508	165,124
	<u>3,750,394</u>	<u>2,812,527</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2014

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:

	2014 HK\$	2013 HK\$
Client expenses	2,739,947	1,936,616
Office administration	398,129	386,347
	<u>3,138,076</u>	<u>2,322,963</u>

Analysis of the total staff costs is as follows:

	2014 HK\$	2013 HK\$
Salaries	3,021,877	2,231,469
Retirement scheme contributions	116,199	91,494
	<u>3,138,076</u>	<u>2,322,963</u>

7 DIRECTORS' EMOLUMENTS

During the years ended 31 December 2014 and 31 December 2013, 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

	2014 HK\$	2013 HK\$
Loan advance to clients	10,140	4,510
Other receivables	169,990	67,200
Prepayments	72,665	57,640
Rental and utility deposit	127,715	111,942
	<u>380,510</u>	<u>241,292</u>

9 CASH AND CASH EQUIVALENTS

	2014 HK\$	2013 HK\$
Cash at bank	2,066,901	2,457,638
Time deposit with maturity within 3 months	2,500,119	1,000,017
	<u>4,567,020</u>	<u>3,457,655</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2014

10 ACCRUALS AND OTHER PAYABLES

	2014	2013
	HK\$	HK\$
Accruals	110,411	112,816
Amount due to a director	693	4,522
Other payables	<u>39,506</u>	<u>21,461</u>
	<u>150,610</u>	<u>138,799</u>

11 OPERATING LEASE COMMITMENTS

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

	2014	2013
	HK\$	HK\$
Within one year	391,134	480,876
Within two to five years	<u>188,595</u>	<u>140,645</u>
	<u>579,729</u>	<u>621,521</u>

12 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on **26 MAY 2015**