

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

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**PATHFINDERS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31 December 2011.

**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 2011 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:

Mi Mi Au  
Jennifer Fifi Lee-Shoy  
Ranjan Marwah  
Melissa Mowbray-d'Arbela  
Kylie Uebergang

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, being eligible, offer themselves for re-appointment.

On behalf of the Board



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Chairman

**23 MAY 2012**

**William Po & CO.**

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 2011, and 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 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 141 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.

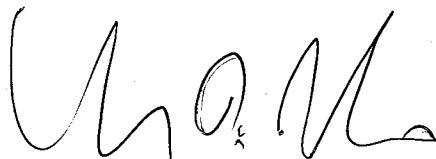
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements 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 2011 and of its surplus and cash flows for the year then ended in accordance with 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 Accountants

Hong Kong **23 MAY 2012**

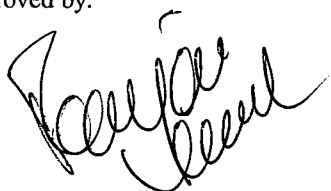
STATEMENT OF INCOME AND GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 HK\$	2010 HK\$
<b>Income</b>			
Donations		1,718,901	973,162
Grant income		-	193,947
Interest income		35	4
		<u>1,718,936</u>	<u>1,167,113</u>
<b>Less: Expenditure</b>			
Audit fee		12,000	10,000
Bank charges		1,718	1,060
Books and subscriptions		2,120	947
Cleaning		4,591	-
Client expenses	4	1,209,587	523,885
Computer expenses		3,362	-
Consultant fees		7,725	-
Designer fees		3,262	6,450
Electricity and water charge		1,904	1,250
Insurance		3,293	1,359
Interest expenses		5	699
Meeting expenses		8,102	5,451
Minor equipment		3,265	32,566
Postage, stationery and supplies		13,784	13,538
Printing and copying		5,902	6,733
Property agency fee		-	5,588
Rent		16,984	20,528
Staff costs - office administration		159,050	103,715
Stamp duty		-	338
Sundry expenses		4,507	307
Telecommunication expenses		11,975	5,713
Travelling		291	11,773
		<u>1,473,427</u>	<u>751,900</u>
<b>Surplus for the year</b>		<b>245,509</b>	<b>415,213</b>
<b>General fund brought forward</b>		<b>433,090</b>	<b>17,877</b>
<b>General fund carried forward</b>		<b>678,599</b>	<b>433,090</b>

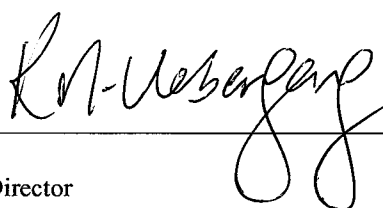
The notes on pages 6 to 10 form an integral part of these financial statements.

	Notes	2011 HK\$	2010 HK\$
<b>Current assets</b>			
Prepayments and other receivables	7	93,199	61,053
Cash and bank balances		1,627,114	1,603,914
		<u>1,720,313</u>	<u>1,664,967</u>
<b>Current liabilities</b>			
Accruals and other payables	8	399,714	178,959
Deferred grant income		642,000	1,042,918
		<u>1,041,714</u>	<u>1,221,877</u>
<b>Net current assets</b>		<u>678,599</u>	443,090
<b>Net assets</b>		<u>678,599</u>	443,090
<b>Funds</b>			
Education fund for Kuldeep Kaur	9	-	10,000
General fund		678,599	433,090
<b>Total funds</b>		<u>678,599</u>	<u>443,090</u>

Approved by:



Director



Director

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 HK\$	2010 HK\$
<b>Operating activities</b>		
Surplus for the year		
General fund	245,509	415,213
Education fund for Kuldeep Kaur	(10,000)	(20,000)
Adjustments for:		
Interest income	(35)	(4)
Interest expenses	5	699
<b>Operating cash flows before movements in working capital</b>	<b>235,479</b>	<b>395,908</b>
Decrease in account receivables	-	193,947
Increase in prepayment and other receivables	(32,146)	(36,368)
Increase in accruals and other payables	220,755	49,871
(Decrease)/increase in deferred grant income	(400,918)	848,971
Cash used in operations	23,170	1,452,329
Interest received	35	4
Interest paid	(5)	(699)
<b>Cash used in operating activities</b>	<b>23,200</b>	<b>1,451,634</b>
<b>Decrease in cash and cash equivalents</b>	<b>23,200</b>	<b>1,451,634</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,603,914</b>	<b>152,280</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,627,114</b>	<b>1,603,914</b>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	1,627,114	1,603,914

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 2011**

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**1 GENERAL**

The company is incorporated in Hong Kong under the Companies Ordinance as a company limited by guarantee without share capital. The company's registered office is located at Room 701, Hoseinee House, 69 Wyndham Street, Central, 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\$100 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 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 recognised 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 year 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 statement of income and general fund 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.



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**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 CLIENT EXPENSES

	2011 HK\$	2010 HK\$
Advertising	880	-
Allowances	62,025	53,992
Cleaning	15,121	-
Electricity and water	5,471	-
Government and consulate	10,443	12,351
Insurance	1,250	-
Job seeking and training	1,200	200
Legal and professional fee	-	21,000
Loan advance to clients written off	17,074	11,788
Medical costs	14,045	2,337
Meeting expenses	2,530	3,609
Minor equipment	20,099	-
Outreach	8,387	-
Postage, fax and calls	3,361	3,828
Presentors - other costs	61,285	10,000
Presentors - staff costs	-	32,500
Property agency fee for shelter	5,933	-
Remittance charges	1,668	1,604
Staff costs - programs	613,334	270,376
Supplies	30,408	17,526
Telecommunication expenses	16,160	12,937
Translators - staff costs	55,000	27,000
Travelling	42,296	21,745
Venue costs - programs	131,488	21,092
Venue costs - shelter	90,129	-
	1,209,587	523,885
	1,209,587	523,885

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2011

5 STAFF COSTS

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

	2011 HK\$	2010 HK\$
Client expenses	668,334	329,876
Office administration	159,050	103,715
	<u>827,384</u>	<u>433,591</u>

Analysis of the total staff costs is as follows:

	2011 HK\$	2010 HK\$
Salaries	788,319	413,079
Retirement scheme contributions	39,065	20,512
	<u>827,384</u>	<u>433,591</u>

6 DIRECTORS' EMOLUMENTS

During the year ended 31 December 2011 and 31 December 2010, no amounts have been paid in respect of directors' emoluments, directors' or past directors' pensions or for any compensation to directors or past directors in respect of loss of office.

7 PREPAYMENTS AND OTHER RECEIVABLES

	2011 HK\$	2010 HK\$
Loan advance to clients	12,250	19,575
Other receivables	12,250	4,650
Prepayments	8,871	-
Rental and utility deposit	59,828	36,828
	<u>93,199</u>	<u>61,053</u>

8 ACCRUALS AND OTHER PAYABLES

	2011 HK\$	2010 HK\$
Accruals	39,160	49,697
Amount due to a director	351,698	123,340
Other payables	8,856	5,922
	<u>399,714</u>	<u>178,959</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2011

9 EDUCATION FUND FOR KULDEEP KAUR

	Year ended 31 December 2011 HK\$	Year ended 31 December 2010 HK\$
Balance brought forward	10,000	30,000
<b>Less: Expenditure</b>		
Financial assistance to Kuldeep Kaur	(10,000)	(20,000)
Deficit for the year	(10,000)	(20,000)
Balance carried forward	-	10,000

10 OPERATING LEASE COMMITMENTS

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

	2011 HK\$	2010 HK\$
Within one year	232,584	134,112
Within two to five years	41,871	100,584
	274,455	234,696

11 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation of the financial statements.

12 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on **23 MAY 2012**