

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

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**PATHFINDERS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2012**

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**DIRECTORS' REPORT**

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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 2012.

**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 2012 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 Lee-Shoy  
Ranjan Marwah (resigned on 31 March 2013)  
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.

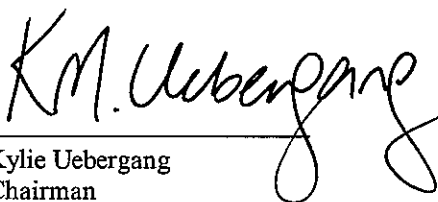
**MANAGEMENT CONTRACTS**

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, eligible, offer themselves for re-appointment.

On behalf of the Board

  
Kylie Uebergang  
Chairman

9 JUN 2013

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 2012, 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 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 2012 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 Accountants**Hong Kong, **19 JUN 2013**

**STATEMENT OF INCOME AND GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2012**

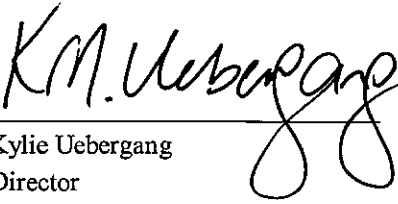
	Notes	2012 HK\$	2011 HK\$
<b>Income</b>			
Donations		2,499,216	1,718,901
Interest received		22	35
Sundry income		100	-
		<u>2,499,338</u>	<u>1,718,936</u>
<b>Less: Expenditure</b>			
Accounting fee		19,000	-
Audit fee		13,200	12,000
Bank charges		3,308	1,718
Books and subscriptions		1,867	2,120
Cleaning		4,933	4,591
Client expenses	4	1,634,155	1,209,587
Computer and website expenses		20,153	3,362
Public relations expenses		24,626	16,889
Electricity & water		2,606	1,904
Insurance		5,097	3,293
Interest expenses		-	5
Meeting expenses		10,551	8,102
Minor equipment		-	3,265
Postage, stationery and supplies		11,797	13,784
Rent		14,160	16,984
Staff costs - office administration		219,052	159,050
Stamp duty		506	-
Sundry expenses		1,408	4,507
Telephone and fax		16,567	11,975
Local traveling		2,349	291
		<u>2,005,335</u>	<u>1,473,427</u>
<b>Surplus for the year</b>		<b>494,003</b>	<b>245,509</b>
<b>General fund brought forward</b>		<b>678,599</b>	<b>433,090</b>
<b>General fund carried forward</b>		<b>1,172,602</b>	<b>678,599</b>

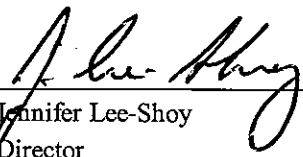
The notes on pages 6 to 10 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012

	Notes	2012 HK\$	2011 HK\$
<b>Current assets</b>			
Prepayments and other receivables	7	122,357	93,199
Cash and bank balances		1,178,802	1,627,114
		<u>1,301,159</u>	<u>1,720,313</u>
<b>Current liabilities</b>			
Accruals and other payables	8	87,447	399,714
Deferred grant income		41,110	642,000
		<u>128,557</u>	<u>1,041,714</u>
<b>Net current assets</b>		<u>1,172,602</u>	<u>678,599</u>
<b>Net assets</b>		<u>1,172,602</u>	<u>678,599</u>
<b>Funds</b>			
General fund		<u>1,172,602</u>	<u>678,599</u>

Approved by:

  
Kylie Uebergang  
Director

  
Jennifer Lee-Shoy  
Director

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>2012</b>	2011
	<b>HK\$</b>	HK\$
<b>Operating activities</b>		
Surplus for the year		
General fund	494,003	245,509
Education fund for Kuldeep Kaur	-	(10,000)
Adjustments for:		
Interest income	(22)	(35)
Interest expenses	-	5
<b>Operating cash flows before movements in working capital</b>	<b>493,981</b>	<b>235,479</b>
Increase in prepayments and other receivables	(29,158)	(32,146)
(Decrease)/increase in accruals and other payables	(312,267)	220,755
Decrease in deferred grant income	(600,890)	(400,918)
<b>Cash (used in)/generated from operations</b>	<b>(448,334)</b>	<b>23,170</b>
Interest received	22	35
Interest paid	-	(5)
<b>Cash (used in)/generated from operating activities</b>	<b>(448,312)</b>	<b>23,200</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(448,312)</b>	<b>23,200</b>
Cash and cash equivalents at the beginning of the year	1,627,114	1,603,914
<b>Cash and cash equivalents at the end of the year</b>	<b>1,178,802</b>	<b>1,627,114</b>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	1,178,802	1,627,114

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 2012**

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**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 2012**

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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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**4 CLIENT EXPENSES**

	<b>2012</b>	2011
	<b>HK\$</b>	HK\$
Advertising	-	880
Allowances	103,771	62,025
Cleaning	12,838	15,121
Electricity and water	25,702	5,471
Government and consulate	24,015	10,443
Insurance	1,250	1,250
Job seeking and training	2,600	1,200
Loan advance to clients written off	12,250	17,074
Medical costs	45,994	14,045
Meeting expenses	6,492	2,530
Minor equipment	710	20,099
Outreach	7,870	8,387
Postage, fax and calls	5,753	3,361
Presentors	34,600	61,285
Property agency fee for shelter	-	5,933
Remittance charges	3,108	1,668
Staff cost - programs	910,735	668,334
Supplies	59,921	30,408
Telecommunication expenses	17,573	16,160
Traveling for clients	82,377	42,296
Venue cost - programs	144,596	131,488
Rental - shelter	132,000	90,129
	<u>1,634,155</u>	<u>1,209,587</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**5 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:

	<b>2012</b>	<b>2011</b>
	<b>HK\$</b>	<b>HK\$</b>
Client expenses	910,735	668,334
Office administration	219,052	159,050
	<u>1,129,787</u>	<u>827,384</u>

Analysis of the total staff costs is as follows:

	<b>2012</b>	<b>2011</b>
	<b>HK\$</b>	<b>HK\$</b>
Salaries	1,081,530	788,319
Retirement scheme contributions	48,257	39,065
	<u>1,129,787</u>	<u>827,384</u>

**6 DIRECTORS' EMOLUMENTS**

During the years ended 31 December 2012 and 31 December 2011, 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.

**7 PREPAYMENTS AND OTHER RECEIVABLES**

	<b>2012</b>	<b>2011</b>
	<b>HK\$</b>	<b>HK\$</b>
Loan advance to clients	15,740	12,250
Other receivables	2,040	10,000
Prepayments	26,885	11,121
Rental and utility deposit	77,692	59,828
	<u>122,357</u>	<u>93,199</u>

**8 ACCRUALS AND OTHER PAYABLES**

	<b>2012</b>	<b>2011</b>
	<b>HK\$</b>	<b>HK\$</b>
Accruals	43,635	39,160
Amount due to a director	22,314	351,698
Other payables	21,498	8,856
	<u>87,447</u>	<u>399,714</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**9 OPERATING LEASE COMMITMENTS**

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

	<b>2012</b>	2011
	<b>HK\$</b>	HK\$
Within one year	243,039	232,584
Within two to five years	<u>150,876</u>	<u>41,871</u>
	<u><u>393,915</u></u>	<u><u>274,455</u></u>

**10 COMPARATIVE FIGURES**

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

**11 APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the company's Board of Directors on **19 JUN. 2013**