

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

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



**PATHFINDERS LIMITED**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 2020.

**FINANCIAL STATEMENTS**

The financial performance for the year is set out in the statement of income and general fund on page 5.

The financial position of the company at 31 December 2020 is set out in the statement of financial position on page 6.

The cash flows of the company for the year are set out in the statement of cash flows on page 7.

**PRINCIPAL ACTIVITIES**

The principal activities of the company are to ensure the most vulnerable and unsupported children in Hong Kong are respected and protected, and their migrant mothers are empowered to find a path to a bright future.

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:

Judy Chan  
Vivien Webb Wong  
Meena Datwani  
Elizabeth Wright  
David Jonathan Spencer  
Keith Pogson

All existing directors continue to hold office.

**PERMITTED INDEMNITY PROVISIONS**

The company's Articles provides that every director or other officer of the company shall be entitled to be indemnified out of the assets of the company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

**MANAGEMENT CONTRACTS**

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

**DIRECTORS' INTERESTS IN CONTRACTS**

No contracts of significance, to which the company was a party and in which a director of the company had material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' REPORT - CONTINUED

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**AUDITORS**

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

On behalf of the Board



Vivien Webb Wong  
Chairman  
15 September 2021

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

We have audited the financial statements of PathFinders Limited ("the company") set out on pages 5 to 12, which comprise the statement of financial position as at 31 December 2020, the statement of income and general fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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") 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report, 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 and Those Charged with Governance 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 HKFRS for Private Entities 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.

Those charged with governance are responsible for overseeing the company's financial reporting process.

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

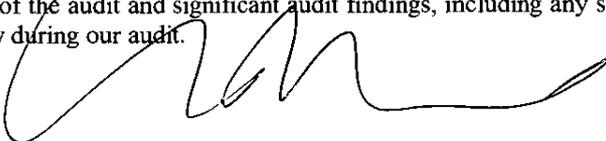
**Auditor's Responsibilities for the Audit of the Financial Statements**

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 HKSAs 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.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism 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 those charged with governance 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.



**WILLIAM PO & CO.**  
**Certified Public Accountants**  
Hong Kong, 15 September 2021

**STATEMENT OF INCOME AND GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 HK\$	2019 HK\$
<b>Income</b>			
Project income		6,072,581	5,346,362
General donation		1,840,626	1,359,065
Surplus on fund-raising events	4	236,440	2,957,607
Compensation income		-	115,543
Employment Support Scheme subsidy		1,289,148	-
Interest received		54,065	89,778
Miscellaneous income		33,902	-
		<u>9,526,762</u>	<u>9,868,355</u>
<b>Less: Expenditure</b>			
Accounting fee		89,370	53,163
Audit fee		23,500	23,500
Bank charges		25,378	4,015
Consultancy fee		40,050	83,917
Client expenses	5	7,759,494	7,681,575
Company secretarial fee		5,000	5,000
Computer expenses		39,532	49,554
Design fee		14,567	12,586
Electricity & water		833	2,307
Insurance		29,525	20,122
Legal fee		-	115,543
Local travelling		477	1,209
Meeting expenses		2,191	65,959
Postage, stationery and supplies		34,216	30,728
Rent		50,413	48,242
Social media and website expenses		84,850	364,121
Staff costs	6	1,418,588	1,003,873
Staff training		443	6,661
Sundry expenses		3,438	11,707
Telephone and fax		1,347	5,062
		<u>9,623,212</u>	<u>9,588,844</u>
<b>(Deficit)/surplus for the year</b>		<b>(96,450)</b>	<b>279,511</b>
<b>General fund brought forward</b>		<b>5,363,482</b>	<b>5,083,971</b>
<b>General fund carried forward</b>		<b>5,267,032</b>	<b>5,363,482</b>

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	2020 HK\$	2019 HK\$
<b>Current assets</b>			
Prepayments and other receivables	8	786,637	1,148,933
Cash and cash equivalents	9	<u>6,490,549</u>	<u>5,865,630</u>
		<u>7,277,186</u>	<u>7,014,563</u>
<b>Current liabilities</b>			
Accruals and other payables	10	512,237	447,227
Deferred project income		<u>1,497,917</u>	<u>1,203,854</u>
		<u>2,010,154</u>	<u>1,651,081</u>
<b>Net assets</b>		<u><u>5,267,032</u></u>	<u><u>5,363,482</u></u>
<b>Funds</b>			
General fund		<u><u>5,267,032</u></u>	<u><u>5,363,482</u></u>

Approved by:



Vivien Webb Wong  
Director



Keith Pogson  
Director

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 HK\$	2019 HK\$
<b>Operating activities</b>			
(Deficit)/surplus for the year		(96,450)	279,511
Adjustments for:			
Interest income		(54,065)	(89,778)
<b>Operating surplus before movements in working capital</b>		<b>(150,515)</b>	<b>189,733</b>
Decrease/(increase) in prepayments and other receivables		362,296	(588,497)
Increase in accruals and other payables		65,010	112,302
Increase/(decrease) in deferred project income		294,063	(1,631,905)
<b>Cash generated from/(used in) operations</b>		<b>570,854</b>	<b>(1,918,367)</b>
Interest received		54,065	89,778
<b>Net cash generated from/(used in) operating activities</b>		<b>624,919</b>	<b>(1,828,589)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>624,919</b>	<b>(1,828,589)</b>
Cash and cash equivalents at the beginning of the year		5,865,630	7,694,219
<b>Cash and cash equivalents at the end of the year</b>	9	<b>6,490,549</b>	<b>5,865,630</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 11C, Worldwide Center, 123 Tung Chau Street, Tai Kok Tsui, Kowloon, Hong Kong. The principal activities of the company are to ensure the most vulnerable and unsupported children in Hong Kong are respected and protected, and their migrant mothers are empowered to find a path to a bright future. 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\$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:

- \* general donations are recognised when the right to receive payment is established.
- \* project income 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 project, 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.
- \* 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.

**(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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(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**

<b><u>2020</u></b>	<b>Income</b>	<b>Expenditure</b>	<b>Surplus</b>
<b>Fund-raising events</b>	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Anniversary celebration	168,407	(536)	167,871
Charity Wine Campaign	185,700	(117,131)	68,569
	<u>354,107</u>	<u>(117,667)</u>	<u>236,440</u>
<b><u>2019</u></b>	<b>Income</b>	<b>Expenditure</b>	<b>Surplus</b>
<b>Fund-raising events</b>	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Anniversary celebration fund-raising dinner	<u>3,493,999</u>	<u>(536,392)</u>	<u>2,957,607</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**5 CLIENT EXPENSES**

	Note	2020 HK\$	2019 HK\$
Advertising		26,297	-
Allowances		72,518	92,466
Cleaning		21,782	2,055
Contraceptive cost		4,875	1,810
Electricity and water		11,664	25,107
Field trip expenses		-	48,286
Government and consulate		16,620	36,385
Home Country Integration Expenses		29,997	31,185
Insurance		126,345	113,934
IT expenses		74,697	21,635
Medical costs		41,417	32,610
Meeting expenses		28,010	89,941
Minor equipment		528	12,433
Outreach		-	95,647
Postage, fax and calls		1,813	11,371
Rental - office and shelter		685,670	720,201
Staff cost - programs	6	6,358,581	6,005,110
Supplies		190,857	218,276
Telecommunication expenses		43,363	33,078
Translation expenses		-	50,493
Travelling expenses		24,460	39,552
		<u>7,759,494</u>	<u>7,681,575</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2020**
**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:

	<b>2020</b>	2019
	<b>HK\$</b>	HK\$
Client expenses - staff cost	6,358,581	6,005,110
Fund-raising event expenditure	13,258	128,773
Staff cost (Office administration)	1,418,588	1,003,873
	<u>7,790,427</u>	<u>7,137,756</u>

Analysis of the total staff costs is as follows:

	<b>2020</b>	2019
	<b>HK\$</b>	HK\$
Salaries	7,353,265	6,840,905
Retirement scheme contributions	293,951	285,462
Other benefits	143,211	11,209
	<u>7,790,427</u>	<u>7,137,576</u>

**7 DIRECTORS' REMUNERATION (EQUIVALENT TO KEY MANAGEMENT PERSONNEL COMPENSATION)**

During the years ended 31 December 2020 and 31 December 2019, 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**

	<b>2020</b>	2019
	<b>HK\$</b>	HK\$
Other receivables	439,134	847,188
Prepayments	170,676	124,118
Rental and utility deposit	176,827	177,627
	<u>786,637</u>	<u>1,148,933</u>

**9 CASH AND CASH EQUIVALENTS**

	<b>2020</b>	2019
	<b>HK\$</b>	HK\$
Cash and bank balances	2,249,852	1,678,956
Time deposit with maturity within 3 months	4,240,697	4,186,674
	<u>6,490,549</u>	<u>5,865,630</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**10 ACCRUALS AND OTHER PAYABLES**

	<b>2020</b>	2019
	<b>HK\$</b>	HK\$
Accruals	393,450	369,675
Other payables	<u>118,787</u>	<u>77,552</u>
	<u><u>512,237</u></u>	<u><u>447,227</u></u>

**11 OPERATING LEASE COMMITMENTS**

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

	<b>2020</b>	2019
	<b>HK\$</b>	HK\$
Within one year	109,876	624,636
Within two to five years	<u>-</u>	<u>46,289</u>
	<u><u>109,876</u></u>	<u><u>670,925</u></u>

**12 APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the company's Board of Directors on 15 September 2021.