

VISION FIRST LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

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VISION FIRST LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited financial statements of VISION FIRST LIMITED (the "Association") for the year ended 31 August 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Association are to relieve poverty and promote the welfare and education of asylum-seekers and refugees, irrespectively of religion, race and nationality by providing for their development through legal, medical, counselling and educational services. There are no significant changes compared with the activities conducted in previous year.

FINANCIAL STATEMENTS

The result of the Association for the year ended 31 August 2016 and the Association's financial position as at that date are exhibited in the annexed audited financial statements.

FUND

Details of movements in fund during the year are set out in the statement of changes in fund on page 7.

DIVIDENDS

In accordance with clause 5 of the Association's Memorandum of Association, the Association is prohibited from declaring any dividend.

SHARE CAPITAL

The Association is limited by guarantee and does not have share capital. The liability of each of its members is limited to the extent of an amount not exceeding HK\$100.

DIRECTORS

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

BEATSON Cosmo

SUTHERLAND Mark Richard Charlton

TSANG Pak Ho

BATRA Parul

VECCHIO Francesco

(Resigned on 14 November 2016)

TIBBO Robert John Hugh

(Resigned on 10 February 2017)

In accordance with the articles 38 and 39 of the Association's Articles of Association, all existing directors shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

VISION FIRST LIMITED

REPORT OF THE DIRECTORS (Continued)

REPORTING EXEMPTION

Since the Association falls within reporting exemption for the financial year in accordance with the Companies Ordinance, it has been exempted from certain disclosures in the report of the directors and in the financial statements.

AUDITOR

The financial statements for the year were audited by Messrs. CHENG & CHENG LIMITED who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

BEATSON Cosmo
Chairman

Hong Kong, 12 April 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISION FIRST LIMITED

(Incorporated in Hong Kong with liability limited by guarantee)

We have audited the financial statements of VISION FIRST LIMITED (the "Association") set out on pages 5 to 13, which comprise the statement of financial position as at 31 August 2016, and the statement of comprehensive income, statement of changes in 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 ("HKFRS 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. 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE MEMBERS OF VISION FIRST LIMITED

(Incorporated in Hong Kong with liability limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 August 2016 and of its financial performance and cash flows for the year then ended in accordance with the HKFRS for Private Entities and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

CHENG & CHENG LIMITED
Certified Public Accountants

Hong Kong, 12 April 2017

Y.Y. Li, Alice
Practising Certificate number P03373

VISION FIRST LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 August 2016

		2016 HK\$	2015 HK\$
Non-current assets			
Plant and equipment	3	10,464	-
Current assets			
Sundry debtors and receivables		400	400
Cash at bank and on hand		426,451	246,433
		426,851	246,833
Current liabilities			
Sundry creditors and payables		403,503	315,731
Net current assets/(liabilities)		23,348	(68,898)
Total assets less current liabilities		33,812	(68,898)
Fund		33,812	(68,898)

Signed on behalf of the Board of Directors by:-

SUTHERLAND Mark Richard Charlton
Director

BEATSON Cosmo
Director

The attached notes form an integral part of these financial statements.

VISION FIRST LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 August 2016

	HK\$	2016 HK\$	HK\$	2015 HK\$
Income				
Donation income		955,190		954,921
Deduct: Subsidies to asylum-seekers and refugees				
Financial aid		<u>778,314</u>		<u>827,035</u>
		176,876		127,886
Add: Other revenue				
Sundry income		<u>370</u>		<u>35,864</u>
		177,246		163,750
Deduct: Operating costs				
<u>Administrative expenses</u>				
Auditor's remuneration	5,500		5,500	
Bank charges	810		2,630	
Compensation	-		115,000	
Depreciation of owned assets	2,616		-	
Electricity, tele-communication and water	28,737		35,147	
Legal and professional fees	21,000		111,100	
Postage, printing and stationery	5,798		5,620	
Provident fund under defined contribution plans	-		2,580	
Repairs and maintenance	6,390		-	
Salaries and allowances	-		49,348	
Sundries	3,685		8,941	
		<u>74,536</u>		<u>335,866</u>
Surplus/(deficit) for the year before taxation		<u>102,710</u>		<u>(172,116)</u>

There was no other comprehensive income or loss during the year.

The attached notes form an integral part of these financial statements.

VISION FIRST LIMITED

STATEMENT OF CHANGES IN FUND

For the year ended 31 August 2016

	Retained surplus/ (accumulated deficit) HK\$
Balance at 1 September 2014	103,218
Deficit for the year	<u>(172,116)</u>
Balance at 31 August 2015 and 1 September 2015	(68,898)
Surplus for the year	<u>102,710</u>
Balance at 31 August 2016	<u><u>33,812</u></u>

The attached notes form an integral part of these financial statements.

VISION FIRST LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 August 2016

	Note	2016 HK\$	2015 HK\$
Operating activities			
Surplus/(deficit) before taxation		102,710	(172,116)
Adjustments for:			
Depreciation of owned assets		2,616	-
Operating profit/(loss) before working capital changes		105,326	(172,116)
Decrease in sundry debtors and receivables		-	42,000
Increase in sundry creditors and payables		87,772	310,361
Net cash from operating activities		193,098	180,245
Net cash used in investing activities	7	(13,080)	-
Net cash from financing activities		-	-
Increase in cash and cash equivalents		180,018	180,245
Cash and cash equivalents at beginning of the year		246,433	66,188
Cash and cash equivalents at end of the year	8	426,451	246,433

The attached notes form an integral part of these financial statements.

VISION FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

1. CORPORATE INFORMATION

Vision First Limited is a Association limited by guarantee and incorporated and domiciled in Hong Kong. The address of its registered office and principal place of business is 5/F., 102 First Street, Sai Ying Pun, Hong Kong.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong Dollars and all values are rounded to the nearest dollar unless otherwise stated.

The preparation of financial statements in conformity with the HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies.

(b) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the Association's statement of financial position when the Association becomes a party to the contractual provisions of the instrument. The following financial instruments are classified according to the management's intention on acquisition:-

Receivables

Receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

Payables

Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

VISION FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

- Furniture and equipment 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

(d) IMPAIRMENT OF ASSETS

Impairment of non-financial assets

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

VISION FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) EMPLOYEE BENEFITS

Pension obligations

A defined contribution plan is a pension plan under which the Association pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Association pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognized as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognized as an asset.

(g) INCOME TAX

The Association is a charitable institution and is exempted from all taxes under Section 88 of the Inland Revenue Ordinance (Cap. 112).

(h) INCOME RECOGNITION

Income is measured at the fair value of the consideration received or receivable.

Income is recognized in surplus or deficit provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, as follows:
Donation income is recognized whenever it is received or receivable.

Any other income not mentioned above is recognized whenever it is received or receivable.

(i) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the Association operates ("the functional currency"). The financial statements are presented in Hong Kong Dollars ("HK\$"), which is the functional and presentation currency.

VISION FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2016

3. PLANT AND EQUIPMENT

	Furniture and equipment HK\$
Cost	
At 1 September 2015	-
Additions	<u>13,080</u>
At 31 August 2016	<u>13,080</u>
Deduct: Accumulated depreciation	
At 1 September 2015	-
Charged for the year	<u>2,616</u>
At 31 August 2016	<u>2,616</u>
Net book values	
At 31 August 2016	<u><u>10,464</u></u>
At 31 August 2015	<u><u>-</u></u>

4. BENEFITS AND INTERESTS OF DIRECTORS

During the year, no benefits and interests were involved in respect of any directors (2015: HK\$Nil).

5. FUND

Apart from accumulated deficit, there were no other fund. Details of movements in fund during the year are referred to in the statement of changes in fund.

6. TAXATION

The Association is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance (Cap. 112).

No provision for deferred taxation has been made as there should be no future tax consequences.

VISION FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 August 2016

7. INVESTING ACTIVITIES

	2016 HK\$	2015 HK\$
Net cash used in investing activities		
Purchase of plant and equipment	<u>(13,080)</u>	<u>-</u>

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following items in the statement of financial position:-

	2016 HK\$	2015 HK\$
Cash at bank and on hand	<u>426,451</u>	<u>246,433</u>

9. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on 12 April 2017.