

# **VISION FIRST LIMITED**

## **REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014**

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**CHENG & CHENG LIMITED**

CERTIFIED PUBLIC ACCOUNTANTS 鄭鄭會計師事務所有限公司

# **VISION FIRST LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors submit herewith their report together with the audited financial statements of Vision First Limited (the "Association") for the year ended 31 August 2014.

### **PRINCIPAL ACTIVITIES**

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

### **FINANCIAL STATEMENTS**

The deficit of the Association for the year ended 31 August 2014 and the state of the Association's affairs 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 following directors held office during the financial year and up to the date of this report:-

BATRA Parul	(Appointed on 1 September 2014)
BEATSON Cosmo	
SUTHERLAND Mark Richard Charlton	
TIBBO Robert John Hugh	
TSANG Pak Ho	
VECCHIO Francesco	
FAN Ning	(Resigned on 1 September 2014)
FLANDERS Belinda Paige	(Resigned on 1 September 2014)
SINGARAM Annabelle Kavitha	(Resigned on 1 September 2014)

In accordance with 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)**

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### **DIRECTORS' INTERESTS**

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

At no time during the year was the Association a party to any arrangement to enable the directors to acquire benefits or remunerations.

### **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

VECCHIO Francesco  
Chairman

Hong Kong, 5 March 2015



# CHENG & CHENG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS 鄭鄭會計師事務所有限公司

Andrew H. K. Cheng – FCCA, FTIHK, CTA (HK), FCPA (Practising)

鄭康祺 – 香港執業資深會計師

Steven W. S. Li – FCCA, FTIHK, CTA (HK), FCPA (Practising)

李永森 – 香港執業資深會計師

Francis H. C. Cheng – BBA, FCCA, FTIHK, CTA (HK), CPA (Practising)

鄭康祥 – 香港執業會計師

Ivan K. F. Yu – MBA, SQ (Insolvency), FTIHK, CTA (HK), CPA (Practising)

余廣發 – 香港執業會計師

Alice Y. Y. Li – B. Bus., ATIHK, CTA (HK), CPA (Aust.), CPA (Practising)

李遠瑜 – 香港執業會計師

Gabriel S. C. Chan – BA, MA, FCCA, ATIHK, CTA (HK), CPA (Practising)

陳碩智 – 香港執業會計師

Tong Yat Hung – FCCA, CPA (Practising)

湯日烘 – 香港執業會計師

David C. Y. Yeung – BBA, ATIHK, CTA (HK), CPA (Practising)

楊振宇 – 香港執業會計師

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VISION FIRST LIMITED

*(Incorporated in Hong Kong limited by guarantee and not having a share capital)*

We have audited the financial statements of Vision First Limited (the "Association") set out on pages 5 to 11, which comprise the statement of financial position as at 31 August 2014, 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 limited by guarantee and not having a share capital)*

#### ***Opinion***

In our opinion, the financial statements give a true and fair view of the state of affairs of the Association as at 31 August 2014 and of its deficit and cash flows for the year then ended in accordance with the HKFRS for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Cheng & Cheng Limited  
Certified Public Accountants

Hong Kong, 5 March 2015

Cheng Hong Kei  
Practising Certificate number P01806

# VISION FIRST LIMITED

## STATEMENT OF FINANCIAL POSITION

*As at 31 August 2014*

	2014 HK\$	2013 HK\$
<b>Current assets</b>		
Sundry debtors and receivables	42,400	14,400
Cash at bank and on hand	<u>66,188</u>	<u>708,772</u>
	108,588	723,172
<b>Current liabilities</b>		
Sundry creditors and payables	<u>5,370</u>	<u>5,370</u>
<b>Net current assets</b>	<u>103,218</u>	<u>717,802</u>
<b>Fund</b>	<u>103,218</u>	<u>717,802</u>

Signed on behalf of the Board of Directors by:-

BEATSON Cosmo  
Director

VECCHIO Francesco  
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 2014*

	Note	2014 HK\$	2013 HK\$
<b>Income</b>	4	1,418,340	1,946,492
Subsidies to asylum- seekers and refugees		(1,431,260)	(1,089,576)
Operating cost		<u>(601,664)</u>	<u>(545,809)</u>
<b>(Deficit)/surplus before taxation</b>		(614,584)	311,107
Taxation	5	<u>-</u>	<u>-</u>
<b>Net (deficit)/surplus for the year</b>		<u><u>(614,584)</u></u>	<u><u>311,107</u></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 2014*

	Retained surplus HK\$
<b>Balance at 1 September 2012</b>	406,695
Net surplus for the year	<u>311,107</u>
<b>Balance at 31 August 2013</b>	<u>717,802</u>
<b>Balance at 1 September 2013</b>	717,802
Net deficit for the year	<u>(614,584)</u>
<b>Balance at 31 August 2014</b>	<u>103,218</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 2014*

	Note	2014 HK\$	2013 HK\$
<b>Operating activities</b>			
(Deficit)/surplus before taxation		(614,584)	311,107
Increase in sundry debtors and receivables		(28,000)	-
Increase in sundry creditors and payables		-	5,000
<b>Net cash (used in)/from operating activities</b>		(642,584)	316,107
<b>Cash and cash equivalents at beginning of the year</b>		<u>708,772</u>	<u>392,665</u>
<b>Cash and cash equivalents at end of the year</b>	6	<u><u>66,188</u></u>	<u><u>708,772</u></u>

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 2014*

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### **1. CORPORATE INFORMATION**

Vision First Limited is an 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.

The principal activities of the Association are to relieve poverty and promote the welfare and education of asylum-Seekers and Refugees, irrespecting of religion, race and nationality by providing for their development through legal, medical, conselling and educational services.

### **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.

##### **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 2014*

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) 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.

#### (d) 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.

#### (e) INCOME TAX

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

#### (f) 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 income and costs, if applicable, can be measured reliably, as follows:

Donation income is recognized whenever it is received or receivable.

#### (g) 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.

### 3. FUND

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

## VISION FIRST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

*For the year ended 31 August 2014*

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#### 4. INCOME

The Association is principally engaged in relieving poverty and promoting the welfare and education of asylum-seekers and refugees, irrespecting of religion, race and nationality by providing for their development through legal, medical, conselling and educational services. Income recognized during the period is as follows:-

	2014 HK\$	2013 HK\$
Donation income	1,334,764	1,115,111
Fundraising income	83,576	831,381
	<u>1,418,340</u>	<u>1,946,492</u>

#### 5. 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.

#### 6. 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:-

	2014 HK\$	2013 HK\$
Cash at bank and on hand	<u>66,188</u>	<u>708,772</u>

#### 7. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on 5 March 2015.

## VISION FIRST LIMITED

## DETAILED INCOME STATEMENT

For the year ended 31 August 2014

	HK\$	2014 HK\$	HK\$	2013 HK\$
<b>Income</b>				
Donation income	1,334,764		1,115,111	
Fundraising income	<u>83,576</u>		<u>831,381</u>	
		1,418,340		1,946,492
<b>Deduct: Subsidies to asylum- seekers and refugees</b>				
Advocacy	47,244		43,837	
Donations program	-		13,736	
Education program	64,294		60,270	
Family support and sponsorship	29,850		101,600	
Financial aid	982,743		500,451	
Kashmir food program	-		16,625	
Mahvash program	158,749		100,214	
Medical program	-		31,179	
Members goods and appliances	-		839	
Members legal fees	-		15,045	
Members rent assistance	22,000		50,300	
Members rental commission	6,500		-	
Members utility bills	14,000		10,707	
Other programs	4,431		62,420	
Recreational and training program	101,449		72,617	
Sports program	<u>-</u>		<u>9,736</u>	
		1,431,260		1,089,576
		(12,920)		856,916
<b>Deduct: Operating costs</b>				
Advertising	2,800		-	
Auditor's remuneration	5,000		5,000	
Bank charges	1,880		1,100	
Compensation	85,000		-	
Electricity, tele-communication and water	27,425		25,786	
Fundraising expenses	13,900		109,528	
Insurance	1,443		1,108	
Legal and professional fees	87,000		-	
License	-		1,100	
Postage, printing and stationery	10,342		36,201	
Provident fund under defined contribution plans	16,305		21,480	
Repairs and maintenance	490		10,126	
Salaries and allowances	331,980		270,000	
Shelter cost	-		9,069	
Sundries	18,099		54,411	
Transportation, packing and storage	<u>-</u>		<u>900</u>	
		601,664		545,809
<b>Net (deficit)/surplus for the year before taxation</b>		<u>(614,584)</u>		<u>311,107</u>