


YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

DIRECTORS

Chan Hon Chung
 Cheung Mi-mee
 Choy How Wah
 Fung Sau Chun
 Lai Yu Fu
 Lau Kam Sing
 Lee Shui Wing
 Li Kwok Tsing
 Ng Yu Lam
 Tang Siu Kan
 Tsang Ling Sin
 Yang, Loom-kit Joseph

Chan Wui Po
 Cheung Siu Ming Samuel
 Co Shu Wong
 Hui Yet Fen
 Lam Koon Cheung
 Lee Kwok Kuen Peter
 Leung Chi Keung
 Lui Hing Tong
 Ngai Ka Chun
 Tang Wai Ming
 Tse Ai Wei Amy
 Yeung Kwan Elvin

Chan Yik Wang, Derik
 Cheung Yiu Fai
 Fung Hon Man
 Kwok Ying Lun
 Lau Chi Kau
 Lee Man Yuk
 Leung Kwok Hung
 Ma Lai Zee
 Poon Chung Yan
 Tong Hin Sum
 Wong Wang Tong
 Yeung Kwok Wai


 陳漢忠 (董事 Director)

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of the Company for the year ended 30 September 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are for charitable purposes and to preach and promote Christian Evangelism.

RESULTS

The results of the Company for the year ended 30 September 2008 are set out in the income statement on page 4.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company during the year are set out in note 7 to the financial statements.

DIRECTORS

The Directors of the Company at the date of this report are as set out above.

Changes in Directors

On 16 March 2008, Chan Lap Yan, Kung Hannah Ka-Ping, Mak Woon Kuen, Man Fuk Yu, Ngan Sau Hing and Tse Yun Seung resigned and Fung Sau Chun, Lau Chi Kau, Leung Kwok Hung, Ma Lai Zee, Ngai Ka Chun, Poon Chung Yan, Yang, Loon-kit Joseph and Yeung Kwan Elvin were appointed directors of the Company

On 25 March 2008, Fu Sheung Mee resigned.

On 7 June 2008, Cheung Yuk Hin resigned.

On 1 October 2008, Lo How Yee was appointed director and she resigned on 1 January 2009.



YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

REPORT OF THE DIRECTORS (continued)

Changes in Directors (continued)

On 1 January 2009, Lui Hing Tong was appointed director and Li Yat San resigned.

On 9 January 2009, Chan Wui Po was appointed director.

On 13 March 2009, Cheung Siu Ming Samuel was appointed director and Wong See King resigned.

There were no other changes in directors during the year and up to the date of this report.

Rotation of Directors

In accordance with the Company's Articles of Association, all remaining Directors shall retire from office at the forthcoming annual general meeting and may offer themselves for re-election.

DONATION

During the year, the Company made charitable and other donations amounted to HK\$22,553.

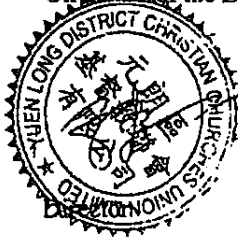
OTHER

There are no other disclosures required under the Companies Ordinance.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Yeung Tze Shing as auditor of the Company.

On behalf of the Board



Hong Kong,

YEUNG TZE SHING

CERTIFIED PUBLIC ACCOUNTANT

Room 506 Wing On House, 71 Des Voeux Road Central, Hong Kong
Telephone : (852) 2522 6155 Fax : (852) 2522 4211

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED**
(incorporated in Hong Kong with limited liability)

I have audited the financial statements of Yuen Long District Christian Churches Union Limited ("the Company") set out on pages 4 to 14, which comprise the balance sheet as at 30 September 2008, and the income statement, the statement of changes in general fund and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility


My responsibility is to express an opinion on these financial statements based on my audit and to report my opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report. I conducted my audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 and true and fair presentation of the financial statements 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 30 September 2008 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Companies Ordinance.


Yeung Tze Shing
Certified Public Accountant

Hong Kong, - 7 SEP 2010

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Notes	2008 HK\$	2007 HK\$
Revenue	4	156,219	67,567
Other revenue		81,620	109,680
Investment income		228	633
Staff costs		(50,284)	(51,061)
Depreciation		(895)	-
Other expenses		<u>(180,137)</u>	<u>(138,786)</u>
Surplus (deficit) before taxation	5	6,751	(11,967)
Income tax expense	6	<u>-</u>	<u>-</u>
Surplus (deficit) for the year		<u>6,751</u>	<u>(11,967)</u>

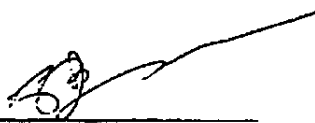
YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

BALANCE SHEET

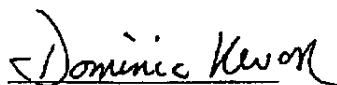
30 SEPTEMBER 2008

		2008	2007
		HK\$	HK\$
Non-current assets			
Property, plant and equipment	7	6,263	--
Current assets			
Subscriptions receivable from member churches		2,300	4,000
Bank balances and cash		<u>67,346</u>	<u>68,822</u>
		<u>69,646</u>	<u>72,822</u>
Current liabilities			
Other payables and accrued charges		<u>7,982</u>	<u>11,646</u>
Net current assets		<u>61,664</u>	<u>61,176</u>
Total assets less current liabilities		<u>67,927</u>	<u>61,176</u>
Reserves			
General fund		<u>67,927</u>	<u>61,176</u>

Approved by the Board on **- 7 SEP 2010**



Director



Director

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

STATEMENT OF CHANGES IN GENERAL FUND

FOR THE YEAR ENDED 30 SEPTEMBER 2008

	General Fund HK\$
At 1 October 2006	73,143
Deficit for the year and total recognized income for the year	<u>(11,967)</u>
At 30 September 2007	61,176
Surplus for the year and total recognized income for the year	<u>6,751</u>
At 30 September 2008	<u>67,927</u>

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

	2008	2007
	HKS	HKS
Operating activities		
Surplus (deficit) before taxation	6,751	(11,967)
Adjustment for:		
Investment income	(228)	(633)
Depreciation	895	--
Operating cash flows before movements in working capital	7,418	(12,600)
Decrease (increase) in subscriptions receivable from member churches	1,700	(2,000)
Decrease in other payables and accrued charges	(3,664)	(7,868)
Cash generated (outflow) from operations	5,454	(22,468)
Interest received	228	633
Net cash from operating activities	5,682	(21,835)
Investing activities		
Purchase of property, plant and equipment	(7,158)	--
Net decrease in cash and cash equivalents	(1,476)	(21,835)
Cash and cash equivalents at beginning of the year	68,822	90,657
Cash and cash equivalents at end of the year	67,346	68,822
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	67,346	68,822

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2008

1. GENERAL

The Company is incorporated under the Companies Ordinance as a company limited by guarantee with the registered office located at Room B, 1/F., Prosperous Building, 82 Shui Che Kwun Street, Yuen Long, New Territories. The principal activities of the Company are for charitable purposes and to preach and promote Christian Evangelism. The liability of its members is limited to contributing to the assets of the Company to the extent of HK\$100 in the event that the Company is wound up.

The financial statements are presented in Hong Kong dollars. The Company's functional currency is Hong Kong dollars.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued a number of new and revised standards, amendments or interpretations ("HKFRS") that are first effective or available for early adoption for current accounting period of the Company.

There have been no significant changes to the accounting policies applied in these financial statements for the year presented as a result of these developments.

The Company has not early adopted any new and revised standards, amendments or interpretations that have been issued but are not yet effective.

The Board of Directors has assessed the potential impact and has concluded that the application of the new and revised standards, amendments or interpretations will not have material impact on the results and financial position of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. The principal accounting policies adopted are as follows:

Revenue Recognition

Donations are recognised when received.

Subscriptions from member churches are recognised on an accrual basis for the relevant period.

Revenue from seminars and programs are recognised upon completion of services provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation.

Depreciation is provided to write off the cost of property, plant and equipment over the estimated useful lives using the straight line method at the following rates:

Furniture and fixtures 25% per annum

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the year in which the item is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit or loss.

Financial assets

The Company's financial assets comprised of other financial assets.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Financial liabilities

The Company's financial liabilities are generally classified as other payables and accrued charges.

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in reserve is recognized in profit or loss. If the Company retains substantially all the risks and rewards of ownership of a transferred asset, the Company continues to recognize the financial asset and recognize a collateralized borrowing for proceeds received.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Director's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value when the effect is material.

Impairment on tangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit scheme

Payment to the Company's defined contribution schemes are charged as an expense when employees have rendered service entitling them to the contributions.

4. REVENUE

Revenue recognised during the year are as follows:

	2008 HK\$	2007 HK\$
Revenue		
Donations	109,419	25,842
Subscriptions from member churches	46,800	41,725
	<u>156,219</u>	<u>67,567</u>

5. SURPLUS (DEFICIT) BEFORE TAXATION

Surplus (deficit) before taxation has been arrived at after charging :

	2008 HK\$	2007 HK\$
Auditors' remuneration	<u>3,000</u>	<u>2,000</u>
Directors emoluments	<u>--</u>	<u>--</u>
Retirement benefits scheme contributions	<u>2,394</u>	<u>2,431</u>

6. INCOME TAX EXPENSE

The Company is exempted from Hong Kong profits tax pursuant to section 88 of the Inland Revenue Ordinance.

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

7. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK\$
Cost	
Additions in the year and at 30 September 2008	<u>7,158</u>
Depreciation	
Provided for the year and at 30 September 2008	<u>895</u>
Carrying values	
30 September 2008	<u>6,263</u>
30 September 2007	<u>—</u>

8. OTHER FINANCIAL ASSETS

Other financial assets include subscriptions receivable from member churches and bank balances and cash.

Bank balances and cash comprise cash held by the Company and short term bank deposits with an original maturity of three months or less. Bank balances carry interest at market rate of 0.10% (2007: 2.07%) per annum.

9. OTHER FINANCIAL LIABILITIES

Other financial liabilities include other payables and accrued charges.

10. CAPITAL RISK MANAGEMENT

The Directors regard the general fund as capital of the Company.

The Directors manage its capital to ensure that the Company will be able to continue as a going concern and is used for funding general administration expenses.

There are no changes on the Company's approach to capital management during the year.

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

11. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Company does not have written risk management policies and guidelines. However, the Board of Directors meets periodically to analyse and formulate measures to manage the Company's exposure to market risk, including interest rate risk, foreign currency risk, credit risk and liquidity risk. Generally, the Company introduces conservative strategies on risk management. As the Company's exposure to the market risk is kept at a minimum, the Company has not used any derivatives and other instruments for hedging purposes. The Company does not hold or issue derivative financial instruments for trading purpose.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures.

Categories of financial instruments

The Company's financial instruments mainly comprise cash and cash equivalents, subscriptions receivable from member churches and other payables and accrued charges.

(a) Foreign currency risk management

The Company is not exposed to foreign exchange risk as all monetary assets and transactions are denominated in the functional currency.

(b) Interest rate risk management

The Company is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates on its cash and bank balances. The Company regularly seeks out the most favourable interest rates available for its bank deposits and bank balances.

If the interest rates had been 1% higher/lower and all other variables were held constant, the Company's surplus for the year would increase/decrease by HK\$254 (2007: increase/decrease by HK\$258).

(c) Other price risks

The Company is not exposed to equity price risk as the Company does not hold any equity investments.

(d) Credit risk management

The credit risk on bank balances and cash is limited because the Directors consider that the counterparty is financially sound.

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

11. FINANCIAL INSTRUMENTS (continued)

(e) Liquidity risk management

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	2008	2007
	HK\$	HK\$
Non-interest bearing		
Less than 1 year	7,982	11,646
Total undiscounted cash flow amount	<u>7,982</u>	<u>11,646</u>

(f) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:-

- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the financial statements approximate their fair values.

FOR INFORMATION OF MANAGEMENT ONLY

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

	2008	2007
	HKS	HKS
Income		
Donation	109,419	25,842
Subscriptions from member churches	46,800	41,725
Other revenue from programs, seminars and other activities	81,620	109,680
Interest income	228	633
	<u>238,067</u>	<u>177,880</u>
Expenditure		
Audit fee	3,000	2,000
Bank charges	350	350
Courier and postage	1,642	428
Depreciation	895	--
Donation	22,553	27,661
Etiquette	1,600	--
Insurance	--	1,844
Mandatory provident fund	2,394	2,431
Printing and stationeries	3,342	1,706
Professional fees	4,500	2,494
Program, seminar and other activities	129,393	100,852
Salaries	47,890	48,630
Speaker fees	5,300	--
Sundry expenses	8,181	255
Telephone	--	1,196
Travelling	276	--
	<u>231,316</u>	<u>189,847</u>
Surplus (deficit) before taxation	<u>6,751</u>	<u>(11,967)</u>