

**INSTITUTE FOR INTEGRATED RURAL DEVELOPMENT,
HONG KONG
香港沃土發展社**

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
TO 31 DECEMBER 2006**

**REPORT OF THE MEMBERS OF COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2006**

The members of committee submit herewith their annual report and the audited financial statements for the year ended 31 December 2006.

PRINCIPAL ACTIVITIES

The Institute is a charity registered with the Hong Kong Government. Its principal activities during the year are the furtherance of charitable causes covering areas such as education and assisting the poor and needy.

ACCOUNTS

The results of the Institute for the year ended 31 December 2006, and the state of the Institute's affairs are set out in the annexed financial statements.

MEMBERS OF COMMITTEE

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

Sze Yuk Hiu	
Ho Wing Chung	
Sin Yeuk Fan	
Poon Oi Yee	
Hung Fai	
Kan Shuk Fun	(Appointed on 15 July 2006)
Lau Pui Man	(Appointed on 15 July 2006)
Ng Ying Ha	(Appointed on 15 July 2006)
Chan Ho Yi	(Appointed on 15 July 2006)
Yau Pui Wah	(Appointed on 15 July 2006)

All committee members shall be elected by ordinary resolution of the board of committee at the annual general meeting and the term of office shall be four years.

AUDITORS

During the year, Messrs K. H. Chan & Co., Certified Public Accountants were appointed as the auditors of the Institute.

A resolution for the re-appointment of K. H. Chan & Co. as auditors of the Institute is to be proposed at the forthcoming Annual General Meeting.

On behalf of the committee



Chairman

Hong Kong, 01 June 2007

K. H. CHAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Unit 6, 10/F., Tower A,
New Mandarin Plaza,
14 Science Museum Road,
Tsimshatsui, Kowloon.

Principal
K.H. Chan, Danvil Macc(urtin),
AAIA, MAAT, ACEA, CPA(Practising)

Consultants
Y.H. Chan, Michael FFA, MBA, MBIM,
AAIA, CPA

**AUDITORS' REPORT TO THE MEMBERS OF
INSTITUTE FOR INTEGRATED RURAL DEVELOPMENT, HONG KONG**

香港沃土發展社

(Established under Societies Ordinance)

We have audited the financial statements on page 3 to 5 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of chairman and auditors

The Institute is required to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. The audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Institute circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view, in all material respects, of the state of the Institute's affairs as at 31 December 2006 and of its deficit for the year then ended and have been properly prepared in accordance with the Societies Ordinance.

K. H. Chan & Co.

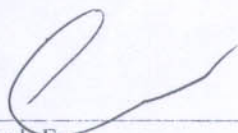
K. H. Chan & Co.
Certified Public Accountants
Hong Kong
Dated: 01 June 2007

INSTITUTE FOR INTEGRATED RURAL DEVELOPMENT, HONG KONG
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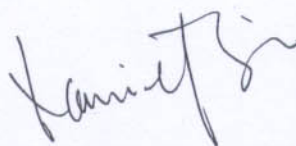
BALANCE SHEET
AS AT 31 DECEMBER 2006

	HK\$
Current assets	
Cash and bank balances	75,205
Current liabilities	
Accrued charges	(1,500)
Net current assets	<u>73,705</u>
Financed by :	
Deficit for the year	(28,481)
Accumulated surplus brought forward	<u>102,186</u>
Accumulated surplus carried forward	<u><u>73,705</u></u>

Approved by the members of committee on 01 June 2007



Kan Shuk Fun
Chairman



Sin Yeuk Fan
Financial Secretary

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. GENERAL

The Institute is established under Societies Ordinance and its principal activities are the furtherance of charitable causes covering areas such as education and assisting the poor and needy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared using the historical cost basis of accounting.

(b) Recognition of income

Donations and contributions received from fund raising activities are recognized in the accounts on a cash basis.

(c) Contributions towards charitable causes

Contributions towards charitable causes are recognized in the accounts on a cash basis.

3. TAXATION

No taxation has been provided as the Institute is a charity exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

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**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

HK\$

DONATION INCOME	144,195
INTEREST INCOME	1,478
OPERATING EXPENSES	
China student foundation expenses	89,340
Teacher's allowance	4,300
Medical expenses	42,129
Jin Guo plan	2,197
China office expenses : -	
- Salaries	24,459
- Accommodation	789
- Telecommunication	1,905
- Travelling	2,805
- Sundries	4,730
Legal and professional fees	1,500
	<u>174,154</u>
DEFICIT FOR THE YEAR	<u><u>(28,481)</u></u>