

**GREEN2GREENER LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE DIRECTORS

AND

FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 5 SEPTEMBER 2007
(DATE OF INCORPORATION)**

TO 31 DECEMBER 2008

YU SHUI WAI

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

HONG KONG

**GREEN2GREENER LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS**

The Directors have pleasure in submitting their first report together with the audited financial statements of the Company for the period from 5 September 2007 (date of incorporation) to 31 December 2008.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are to advance the education of the general public about recycling, responsible consumerism, and the effects of pollution generally on the overall health of the Hong Kong community.

2. RESULTS

Deficit for the period and carried forward HK\$ 593,325

The state of the Company's affairs as on 31 December 2008 is set out in the accompanying financial statements.

3. DIRECTORS

The Directors during the period and up to the date of this report were:

Christian John Constantin Brun
Christina Emily Brun

In accordance with the Company's Articles of the Association, all directors retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

4. DIRECTORS' INTEREST

No contracts of significance, to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

5. AUDITORS

The auditors, Messrs Yu Shui Wai retire and, being eligible, offer themselves for re-appointment.

On behalf of the Executive Committee



Chairman
21 October 2009
Hong Kong

**REPORT OF THE AUDITORS
TO THE MEMBERS OF GREEN2GREENER LIMITED
(incorporated in Hong Kong with limited by guarantee)**

We have audited the financial statements of Green2greener Limited (the "Company") set out on pages 4 to 11, which comprise the balance sheet as at 31 December 2008, and the income and expenditure statement, the statement of changes in reserves and the cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Director s' 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 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.

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 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 auditors' judgement, 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 auditors consider 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.

to be cont'd/.....

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2008 and of its deficit and cash flows for the period then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Yu Shui Wai
Certified Public Accountants (Practising)


21 October 2009
Hong Kong

**GREEN2GREENER LIMITED
(LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2008**

	<u>Notes</u>	<u>2008</u> HK\$
CURRENT ASSETS		
Cash and bank balances	7	121,690
Prepayment and deposit		14,500
		136,190
CURRENT LIABILITIES		
Accounts payables and accrued expenses		24,279
Donation in advance		101,400
Due to Director	8	603,836
		729,515
NET CURRENT ASSETS		(593,325)
NET ASSETS		(593,325)
ACCUMULATED FUNDS		
Accumulated surplus		-
Deficit for the period		(593,325)
		(593,325)



Director



Director

GREEN2GREENER LIMITED
(LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD FROM 5 SEPTEMBER 2007
(DATE OF INCORPORATION)
TO 31 DECEMBER 2008

	<u>Notes</u>	<u>HK\$</u>
DONATION INCOME	4	672,793
Add: OTHER REVENUE		
Other income		114
Bank interest income		17
		672,924
Less: COST OF EVENTS		912,172
		(239,248)
Less: OPERATING EXPENSES		
Accountings fees		5,000
Auditor's remuneration		5,000
Bank charges		1,968
Communications - phone & fax		1,034
Entertainment		746
Exchange loss		3,458
Legal & Professional Fee		36,655
Magazines		40
Printing & Stationery		4,904
Postage & Courier		4,430
Rent & Management		5,000
Repair & Maintenance		16
Registration fee		176,225
Salaries -Staff		67,550
Travelling - Overseas expenses		41,763
Travelling - Local expenses		230
Miscellaneous Expenses		58
		354,077
DEFICIT FOR THE PERIOD BEFORE TAXATION		(593,325)
TAXATION	5	-
DEFICIT FOR THE PERIOD AFTER TAXATION		(593,325)

GREEN2GREENER LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN RESERVES
FOR THE PERIOD ENDED
31 DECEMBER 2008

	<u>2008</u> HK\$
Balance at beginning of the period	-
Deficit for the period	(593,325)

Balance at end of the period	(593,325)
	=====

GREEN2GREENER LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2008

	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Deficit for the period	(593,325)
Adjustments for:	
Interest Income	(17)
Operating deficit before working capital changes	<u>(593,342)</u>
Movements in working capital elements:	
Increase in prepayments and deposits	(14,500)
Increase in accounts payables accrued expenses	24,279
Increase in amount due to Director	603,836
Increase in donation in advance	101,400
Cash generated form operations	<u>121,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	17
	<u>17</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u><u>121,690</u></u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u><u>-</u></u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>121,690</u></u>

**GREEN2GREENER LIMITED
(LIMITED BY GUARANTEE)
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM 5 SEPTEMBER 2007
(DATE OF INCORPORATION) TO 31 DECEMBER 2008**

1. GENERAL

The Company was incorporated under the laws of Hong Kong on 5 September 2007 and is limited by guarantee of not exceeding HK\$10.00 for each member. The Company's registered office is Suite 2406 24/F 9 Queen's Road, Central, Hong Kong

The principal activities of the Company are to advance the education of the general public about recycling, responsible consumerism, and the effects of pollution generally on the overall health of the Hong Kong community.

The Company's financial statements are expressed in Hong Kong dollars because that is the currency of primary economic environment in which the Company operates.

2. ADOPTION OF NEW OR ADMENDED HKFRS

In the current year, the Company has adopted all the new and amended Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for accounting periods beginning on or after 5 September 2007. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRSs"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Company's accounting polices and amounts reported for the current year and priors years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

(b) Income and revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably, on the following bases:

- donation is recognised when the right to receive payment is established.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

**GREEN2GREENER LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM 5 SEPTEMBER 2007
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(c) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

(d) Financial liabilities

The Company's financial liabilities include creditors and accrued charges and which are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest rate method.

(e) Foreign currencies

Foreign currency balances at the balance sheet date are translated into Hong Kong dollars at the approximate rates of exchange ruling at that date. Foreign currency transactions during the period were translated into Hong Kong dollars at the rates of exchange ruling at the dates of the transactions. All exchange differences are dealt with in the income and expenditure account.

(f) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. INCOME

Income for the period represents the donation income.

5. TAXATION

The Company is an approved charitable organization within the meaning of section 88, Chapter 112 of the Inland Revenue Ordinance and accordingly is exempted from all Hong Kong taxes.

**GREEN2GREENER LIMITED
(LIMITED BY GUARANTEE)
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM 5 SEPTEMBER 2007
(DATE OF INCORPORATION) TO 31 DECEMBER 2008**

6. DIRECTORS' REMUNERATION

During the period ended 31 December 2008, no amounts have been paid in respect of directors' emoluments, directors' pension or for any compensation to directors in respect of loss of office.

7. CASH AND CASH EQUIVALENTS

	<u>2008</u> HK\$
Cash at bank and in hand	121,690 =====

8. AMOUNT DUE TO DIRECTORS

The amount is unsecured, interest free and has no specific term of repayment.

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company does not have written risk management policies and guidelines. However, the Executive Committee meets periodically to analyse and formulate measures to manage the Company's exposure to market risk, including principally changes in interest rates and currency exchange rates. Generally, the Company employs a conservative strategy regarding its risk management. As the directors of the Company consider that the Company's exposure to market risk is kept at a minimum level, the Company has not used any derivative or other instruments for hedging purposes. The Company does not hold or issue derivative financial instruments for trading purposes.

(a) Foreign currency risk

The Company's exposure to risk resulting from changes in foreign currency exchange rate is minimal.

(b) Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Company has no significant concentration of credit risk, with exposure spread over a number of counterparties and members.

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(c) Cash flow interest rate risk

The Company is exposed to cash flow interest-rate which is attributable to the Company's cash and cash equivalents held with financial institutions. The risk is considered limited as the range of interest rates fluctuations is not significant.

(d) Fair value

The fair value of the Company's financial liabilities is not materially different from their carrying amounts because of the immediate or short term maturity.

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Executive Committee on 21 October 2009.