

COMMUNICATIONS ASSOCIATION OF HONG KONG LIMITED
香港通訊業聯會有限公司

CUSTOMER COMPLAINT SETTLEMENT SCHEME AGENT

STATEMENT OF FINANCIAL POSITION

AS AT 30TH APRIL, 2017

AND

INCOME AND EXPENDITURE STATEMENT

For the period

from

1st May, 2016

to

30th April, 2017

T. C. NG & CO. C.P.A. LIMITED
伍子材會計師事務所有限公司
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

T.C. NG & Co CPA Ltd
Certified Public Accountants

AUDIT, TAX, BUSINESS ADVISORY & OUTSOURCING

CHIU NGAR WING 趙雅穎
CPA (Practising) FCCA ACA

MAN KING CHI, EDDIE 文景智
CPA (Practising) FCA MSc

NG SHU BUN, ANDREW 伍樹彬
CPA (Practising) FCA BA

伍子材會計師事務所有限公司

13/F., AMBER COMMERCIAL BUILDING, 70 MORRISON HILL ROAD, WANCHAI, H.K.

香港灣仔摩利臣山道七十號韻利商業大廈十三字樓

TEL 電話: (852)2575 7383

FAX 傳真: (852)28382239

E-mail 電子郵件: general@tcng-cpa.com

Web-site 網址: www.tcng-cpa.com

**INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF
COMMUNICATIONS ASSOCIATION OF HONG KONG LIMITED
香港通訊業聯會有限公司
CUSTOMER COMPLAINT SETTLEMENT SCHEME AGENT
FOR THE YEAR ENDED 30TH APRIL, 2017**

Opinion

We have audited the financial statements of Customer Complaint Settlement Scheme Agent of Communications Association of Hong Kong Limited ("the Agent") set out on pages 3 to 6, which comprise the statement of financial position as at 30th April, 2017, and the income and expenditure statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly the financial position of the Agent as at 30th April, 2017, and of its financial performance for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agent in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Agent's Management for the Financial Statements

The Agent's Management is responsible for the preparation of financial statements that present fairly the financial position of the Agent in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Agent's Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Agent's Management is responsible for assessing the Agent's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Agent's Management intends to cease operations, or have no realistic alternative but to do so.

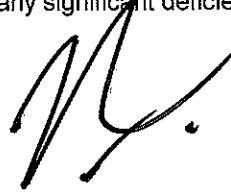
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Agent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Agent's Management.
- Conclude on the appropriateness of the Agent's Management' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agent to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Agent's Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



T. C. Ng & Co. C.P.A. Limited
Certified Public Accountants.

Hong Kong, ^{27 JUL 2017}
Director in Charge : Man King Chi, Eddie
Practising Certificate Number : P02470

COMMUNICATIONS ASSOCIATION OF HONG KONG LIMITED
香港通訊業聯會有限公司
CUSTOMER COMPLAINT SETTLEMENT SCHEME AGENT

STATEMENT OF FINANCIAL POSITION
AS AT 30TH APRIL, 2017
(Amounts Expressed in Hong Kong Dollars)

<u>2016</u>		<u>2017</u>	<u>Note</u>
ASSETS			
<u>Non-Current Assets</u>			
<u>\$223,213.28</u>	Plant and Equipment	<u>\$149,506.82</u>	3
<u>Current Assets</u>			
\$170,787.61	Cash at Bank and in Hand	\$311,263.85	
1,200.00	Accounts Receivable	400.00	
64,851.50	Rental and Utility Deposits	64,851.50	
13,247.32	Prepayments	<u>16,356.83</u>	
<u>\$250,086.43</u>		<u>\$392,872.18</u>	
<u>Current Liabilities</u>			
\$ 400.00	Receipts in Advance	\$ 200.00	
53,324.70	Accruals	<u>34,542.25</u>	
<u>\$ 53,724.70</u>		<u>34,742.25</u>	
<u>\$196,361.73</u>	Net Current Assets	<u>\$358,129.93</u>	
<u>\$419,575.01</u>	NET ASSETS	<u>\$507,636.75</u>	
 REPRESENTING			
<u>Accumulated Surplus</u>			
\$174,893.18	Balance brought forward	\$419,575.01	
244,681.83	Surplus for the period/year	<u>88,061.74</u>	
<u>\$419,575.01</u>	Balance carried forward	<u>\$507,636.75</u>	

These financial statements were approved by the Agent Management
on

27 JUL 2017



Agent Management



Agent Management

COMMUNICATIONS ASSOCIATION OF HONG KONG LIMITED
香港通訊業聯會有限公司
CUSTOMER COMPLAINT SETTLEMENT SCHEME AGENT

INCOME AND EXPENDITURE STATEMENT
For the period from 1st May, 2016 to 30th April, 2017
(Amounts Expressed in Hong Kong Dollars)

<u>1st May, 2015</u> to <u>30th April, 2016</u>		<u>1st May, 2016</u> to <u>30th April, 2017</u>
	Income -	
\$ 5.42	Interest Income	\$ 7.78
15,000.00	Case Income	6,400.00
<u>1,834,158.00</u>	Sponsorship from OFCA	<u>1,188,567.00</u>
<u>\$1,849,163.42</u>		\$1,194,974.78
	Expenditure -	
\$ 11,000.00	Audit Fee	\$ 11,000.00
1,000.66	Bank Charges	3,130.00
12,380.00	Cleaning Service	14,300.00
738.00	Computer Software	2,400.00
6,710.55	Electricity	3,159.00
15,638.76	Insurance	14,298.73
16,438.50	Legal and Professional fees	12,300.00
30,433.50	MPF Contribution	25,662.12
836,374.00	Staff Costs	607,502.36
7,203.30	Printing and Stationery	3,942.00
339,612.33	Rental Expenses	255,480.67
5,438.60	Sundry Expenses	3,725.70
13,899.00	Telephone	14,290.00
1,600.00	Training	13,000.00
24,000.00	Administration Fee	24,000.00
8,830.00	Agent Commission	-
9,537.32	Loss on Disposal of Property Equipment	2,356.94
189,470.40	Reinstatement Fee	-
5,000.00	Removal Charge	-
	Depreciation on -	
54,972.08	Decoration	76,199.28
6,150.51	Office Equipment	11,490.36
8,054.08	Furniture and Fixtures	7,531.88
-	Repairs and Maintenance	<u>1,144.00</u>
<u>\$1,604,481.59</u>		<u>1,106,913.04</u>
<u>\$ 244,681.83</u>	Surplus for the period/year	<u>\$ 88,061.74</u>

COMMUNICATIONS ASSOCIATION OF HONG KONG LIMITED
香港通訊業聯會有限公司
CUSTOMER COMPLAINT SETTLEMENT SCHEME AGENT

NOTES ON THE FINANCIAL STATEMENTS
(Amounts Expressed in Hong Kong Dollars)

1. ACCOUNTING PERIOD

The period covered by the financial statements is from 1st May, 2016 to 30th April, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation -

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS) and have been prepared under the historical cost convention.

There was no early adoption of any new standards or interpretations that have been issued but are not yet effective. The adoption of such Standards or Interpretations will not result in substantial changes to the Agent's accounting policies.

(b) Plant and Equipment -

Plant and Equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price, any directly attributable costs of bringing the asset to its present working condition and location for its intended use and the initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located.

Expenditure incurred after the assets have been put into operation is normally charged as expense in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

Depreciation is calculated to write off the cost of Plant and Equipment on a straight line basis over their anticipated useful lives as follows :-

Decoration	-	33.33% p.a.
Office Equipment	-	20% p.a.
Furniture and Fixtures	-	20% p.a.

The gain or loss on disposal of Plant and Equipment is the difference between the net disposal proceeds and the carrying amount of the assets and is recognised in the income statement.

(c) Recognition of Revenue -

Revenue is recognised when it is probable that the economic benefits will accrue to the Agent and when the revenue can be measured reliably on the following bases :-

- (i) Case Income, when the services are rendered.
- (ii) Sponsorship from OFCA, upon receipts of such payment in accordance with the substance of the relevant agreement.

3. PLANT AND EQUIPMENT

	<u>Decoration</u>	<u>Office Equipment</u>	<u>Furniture and Fixtures</u>	<u>Total</u>
At 1st May, 2016 -				
Cost	\$229,498.00	\$45,542.00	\$34,964.56	\$310,004.56
Accumulated Depreciation	(44,924.58)	(17,974.50)	(23,892.20)	(86,791.28)
Net Carrying Amount	<u>\$184,573.42</u>	<u>\$27,567.50</u>	<u>\$11,072.36</u>	<u>\$223,213.28</u>
Year ended 30th April, 2017 -				
Opening Net Carrying Amount	\$184,573.42	\$27,567.50	\$11,072.36	\$223,213.28
Additions	-	20,922.00	2,950.00	23,872.00
Written Off	-	(2,356.94)	-	(2,356.94)
Depreciation	(76,199.28)	(11,490.36)	(7,531.88)	(95,221.52)
Closing Net Carrying Amount	<u>\$108,374.14</u>	<u>\$34,642.20</u>	<u>\$ 6,490.48</u>	<u>\$149,506.82</u>
At 30th April, 2017 -				
Cost	\$229,498.00	\$46,264.00	\$37,914.56	\$313,676.56
Accumulated Depreciation	(121,123.86)	(11,621.80)	(31,424.08)	(164,169.74)
Net Carrying Amount	<u>\$108,374.14</u>	<u>\$34,642.20</u>	<u>\$ 6,490.48</u>	<u>\$149,506.82</u>

4. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 30th April, 2017, there were -

- (a) no outstanding capital commitments;
- (b) no contingent liabilities other than those incurred in the normal course of business.

5. OPERATING LEASE ARRANGEMENTS

	<u>2017</u>	<u>2016</u>
<u>The Company as lessee</u>		
Minimum lease payments under operating leases recognised in income statement for the year	<u>\$249,006.00</u>	<u>\$148,344.00</u>

At the statement of financial position date, the Agent had outstanding commitments under non-cancellable operating leases, which fall due as follows :-

	<u>2017</u>	<u>2016</u>
Within one year	\$249,006.00	\$249,006.00
In the second to fifth years inclusive	<u>83,002.00</u>	<u>323,178.00</u>
	<u>\$332,008.00</u>	<u>\$572,184.00</u>

Operating lease payments represent rentals payable by the Agent for its office properties and is subject to review in 2018.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements in respect of the useful lives of Plant and Equipment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.