

INTERNET & TELECOM ASSOCIATION OF HONG KONG

The 23rd Annual General Meeting

Report on the Statement of Accounts for the year ended 31st March 2006

By Honorary Treasurer, Mr. Franky Lai

I. Balance Sheet

As at 31st March 2006, the Association's Current Assets totaled HK\$1,045,000 which included accounts receivable of HK\$17,000, profit tax refundable of HK\$14,000, cash and bank balance of HK\$912,000 and a custodian fund for "Mobile Phone Batteries Recycling and Recovery Program" of HK\$102,000.

Our capital mainly consists of Entrance Fees. Balance of entrance fees as at 31st March 2006 was HK\$1,424,000.

II. Income and Expenditure Account

The Association received a total income of HK\$650,000 for the year, in which HK\$448,000 was generated from membership annual fees; HK\$5,000 from exhibition and seminars receipts; HK\$4,000 from the directories sales; HK\$27,000 from Golf Cup; HK\$77,000 from luncheons & AGM receipts; HK\$77,000 from Fellowship Night and HK\$12,000 from bank interest income.

Total expenditures for the year amounted to HK\$805,000. The major expenditures were HK\$23,000 for exhibitions and seminars; HK\$25,000 on Golf Cup; HK\$71,000 on Luncheons and Annual General Meeting; and HK\$560,000 on salaries and allowances.

After deducting the expenditure from income, it reports a deficit at HK\$154,000. For taxation, no provision for Hong Kong profit tax is made in the account because the Association has incurred a loss for the year.

III. Conclusion

During the year, some companies had been integrated or restructured, and some individual members had changed their jobs that resulting in withdrawal of membership. The membership fee received had dropped quite significantly and affected the income of the Association.

As a non-profit organization, we always emphasize to provide more benefits and higher standard of services to all members. We are planning a series of programs (such as membership development program and business development program) to strive for more benefits for our members so as to recruit more new members and retain the existing members.

For the current fiscal year, we will try to maintain a more balance account and looking forward that the new programs and the coming events (such as publication of 2007 Official Guide to Telecommunications in Hong Kong, and exhibition booth sales for ITU Telecom World 2006) can bring a substantial source of income.

Franky Lai

9th June 2006