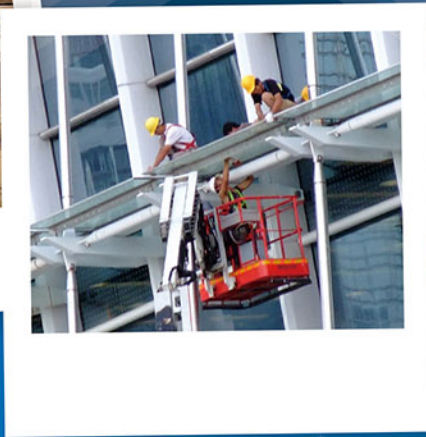


ECRSB

10th
Anniversary



The Employees' Compensation Insurance
Residual Scheme Bureau Limited
僱員補償聯保計劃管理局有限公司

Annual Report
2016/2017



FIRSB



10th
Anniversary

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FIRSB

10th
Anniversary

主席
勞工處處長
保險業監管局行政總監
顧問委員會主席

Forewords

序言

Chairman
Commissioner for Labour
Chief Executive Officer of the Insurance Authority
Chairman of Advisory Committee

Foreword

from the Chairman



主席序言

On 1 May 2007, the Employee's Compensation Insurance Residual Scheme (the Scheme) came into operation officially to provide a reliable and reassuring venue of last resort for employers, in particular for those high risk groups, who are unable to obtain insurance coverage in the market. We are pleased to see that the Scheme has been operated effectively over the past decade. This is also a manifestation of how the insurance industry works in concerted effort to provide a practical solution for the good of the community.

The Scheme held its 10th Anniversary Cocktail Party on 18 May 2017. We were deeply honored to have with us the Commissioner for Labour Mr Carlson Chan, JP, to officiate at the ceremony. More than 70 guests and Scheme Members' representatives attended the event. To coincide with this historic milestone, a newly revamped website of the Scheme was also launched at the ceremony.

By 31 March 2017, the Scheme had written 83 employees' compensation policies, most of which were issued for Qualifying Employers from high risk groups. For details, please refer to Report on Applications Processed.

The current premium benchmark rates of the high risk groups review for 2017 had been completed and endorsed by the Advisory Committee. The report from the appointed independent actuary indicated that while the average premium rates have gone down by 3.6%, the premium rates of Scaffolding had substantially risen by 8% due to the increase in the number and severity of the claims made by scaffolders. Please refer to page 14 for more information.

The premium benchmark rates of the high risk groups review exercise for 2018 has just started and the actuary is in the process of consolidating the data submitted by our Scheme members. We expect that the results of the review will be ready in December 2017.

We wish to express our sincere thanks to the then Office of the Commissioner of Insurance and the newly established Insurance Authority, the Labour Department, members of the Advisory Committee, the Bureau Board and Underwriting/Claims Committee for their valuable guidance and unwavering support. We are also grateful for the diligent and professional support and assistance rendered by Chevalier Insurance Co Ltd (the Appointed Service Provider) and the Hong Kong Federation of Insurers (the Administrator of the Scheme) over the years.

Ronnie Ng
Chairman

僱員補償聯保計劃（聯保計劃）於2007年5月1日正式投入運作，旨在為未能覓得僱員補償保險，尤其是從事高風險行業的僱主，提供可靠及穩健的後援市場。本人欣然看到聯保計劃在過去十年持續有效地運作，這正體現保險業共同協力提供可行方案，以維護公眾利益。

聯保計劃於2017年5月18日舉行10周年酒會，衷心感謝勞工處處長陳嘉信太平紳士蒞臨擔任主禮嘉賓，當晚亦有超過70名嘉賓和會員代表出席支持。適逢這個重要的里程碑，全新的聯保計劃網站亦於慶典上正式啟動。

截至2017年3月31日，聯保計劃共簽發83份僱員補償保險保單，其中大部分來自高風險行業的合資格僱主，詳情見投保審核報告。

2017年度高風險行業的保費費率基準檢討工作已完成，並獲顧問委員會核准。精算師報告指出，平均保費費率比去年下跌3.6%，但搭棚行業過往的索償紀錄欠佳，以致該行業的保險費率較去年上升8%。詳情請參閱第14頁。

2018年度高風險行業的保費費率基準檢討工作現正進行，精算師已著手整理會員提交的數據，檢討報告預期可於2017年12月完成。

謹此衷心感謝前保險業監理處及新成立的保險業監管局、勞工處、聯保計劃顧問委員會、理事會及核保／索償委員會成員，為聯保計劃提供寶貴的指導及堅定的支持。同時，感謝其士保險有限公司（獲委任提供服務者）和香港保險業聯會（聯保計劃管理人），這些年來為聯保計劃提供細心和專業的支持及協助。

主席
伍榮發



Foreword from Commissioner for Labour

◀ 勞工處處長序言

It gives me great pleasure to extend my heartfelt congratulations to the Employees' Compensation Insurance Residual Scheme Bureau Limited (ECIRSB) on its tenth anniversary.

ECIRSB launched the Employees' Compensation Insurance Residual Scheme in May 2007, marking a milestone in the development of the employees' compensation insurance system in Hong Kong. The Scheme has been operating effectively as a market of last resort to ensure that employers in various industries, particularly high-risk industries, can take out employees' compensation insurance to cover their liabilities under the laws including the common law.

Over the past decade, ECIRSB proactively introduced a host of initiatives to assist industries having difficulties in taking out employees' compensation insurance. Notably, a discount and loading mechanism has been set up for high-risk industries so that premium rates for employees' compensation insurance are adjustable according to such factors as the occupational safety and health performance and corresponding measures adopted by employers. Companies accredited under the Occupational Safety and Health Star Enterprise – RMAA (Repair, Maintenance, Alteration and Addition) Safety Accreditation Scheme and the Recycling Industry Safety Enhancement Pilot Scheme are also entitled to special employees' compensation insurance premium discount. Moreover, ECIRSB has issued short-term employees' compensation insurance policies and provided premium discount for name-based policies to address the special circumstances of employers in the scaffolding sector.

All the above achievements of ECIRSB demonstrate the professionalism and ingenuity of the insurance industry in fostering improvements to the existing mechanism through its responsive measures. I look forward to the continued support of the Hong Kong Federation of Insurers, ECIRSB and the insurance industry in pioneering improvements to the employees' compensation insurance system to the benefit of employees, employers and the industry.

Carlson KS Chan, JP
Commissioner for Labour

欣逢僱員補償聯保計劃管理局有限公司（聯保計劃管理局）成立十周年，我謹此衷心致賀。

聯保計劃管理局在2007年5月推出僱員補償聯保計劃，標誌着香港僱員補償保險制度發展的里程碑。該計劃一直有效發揮後援市場的功能，確保各行業的僱主，特別是高風險行業的僱主能夠投購僱員補償保險，以承擔他們在法律上（包括普通法）的責任。

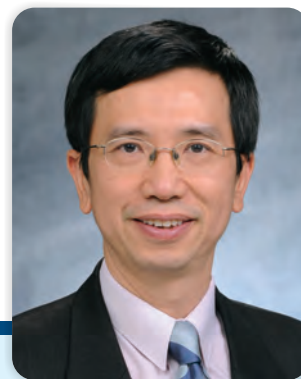
過去十年，聯保計劃管理局積極推出多項措施，以協助在投購僱員補償保險方面遇到困難的行業，其中值得一提的是為高風險行業設立加減保費費率機制，根據僱主過往的職業安全及健康表現和所採取的相應措施等因素調整保費費率。此外，獲職安健星級企業－裝修及維修業安全認可計劃和回收再造業職安健提升先導計劃認可的企業，可享受投購僱員補償保險的特別保費優惠。同時，聯保計劃管理局為棚業僱主提供短期僱員補償保單，以及適用於實名保單的保費優惠，以切合他們的特殊情況。

上述聯保計劃管理局的建樹體現了保險業界靈活應變，力求改善現有機制的專業精神。我期望香港保險業聯會、聯保計劃管理局和業界日後繼續鼎力支持，使僱員補償保險制度更臻完善，造福勞資雙方及業界。

勞工處處長
陳嘉信太平紳士

Foreword

from Chief Executive Officer of
the Insurance Authority



保險業監管局行政總監序言

I would like to take this opportunity to thank the Employees' Compensation Insurance Residual Scheme Bureau Board, its Advisory Committee and participating insurance companies for their contribution to the Scheme in the past decade.

Since the introduction of the Scheme in 2007, it has been providing insurance coverage to employers from the High Risk Groups who have difficulties taking out insurance on their employees. The Scheme offers a win-win solution by enabling employers in need to comply with the statutory employees' compensation insurance requirements and protecting the rights and benefits of employees.

The Scheme has played an important role in promoting public awareness of occupational safety. I look forward to the continued support from the insurance industry and the community at large to the Scheme. Let's work together to enhance our employee's compensation insurance system in the years to come.



John Leung, JP
Chief Executive Officer of the Insurance Authority

我謹藉此機會感謝僱員補償聯保計劃管理局的理事會、其顧問委員會以及參與聯保計劃的保險公司，在過去十年對聯保計劃作出的貢獻。

自2007年成立以來，聯保計劃一直為從事高風險行業而難以為其僱員購買保險的僱主提供服務。聯保計劃協助有需要的僱主投購法定僱員補償保險，從而保障員工的權益，達至雙贏。

聯保計劃大大提高了公眾對工業安全的意識。我期望保險業界及社會大眾往後繼續支持聯保計劃，攜手合作締造更佳的僱員補償保險制度。



保險業監管局行政總監
梁志仁太平紳士



Foreword

from the Chairman
of Advisory Committee

顧問委員會主席序言

Since its inception in 2007, the Employees' Compensation Insurance Residual Scheme (the Scheme) has stepped into its tenth anniversary this year. This pragmatic system demonstrated the dedication and vision of the insurance industry in collaboration with the Labour Department and the then Office of Commissioner of Insurance in resolving society issues. Over the past decade, the Scheme has been serving as the market of last resort to assist employers who have difficulties in finding employees' compensation insurance covers.

To ensure the Scheme works effectively, it is guided by the Advisory Committee, which is composed of representatives from different sectors and stakeholders concerned, including the Insurance Authority, Labour Department, Occupation Safety & Health Council, legislator, Employers Federation of Hong Kong, lawyer, accountant, reinsurer, insurance intermediary and the Hong Kong Federation of Insurers. As such, the Advisory Committee is able to ensure that the Scheme is operated on the principles of affordability, availability, accessibility, transparency and sustainability.

The Advisory Committee met at least once a year to monitor the operation of the Scheme. We also received quarterly report on all the applications received and the policies written by the Scheme.

My sincerest thanks go to my fellow Members of the Advisory Committee for their valuable contribution and professional advice to the Scheme over the past year.

Harry Wong
Chairman of Advisory Committee

自2007年創立以來，聯保計劃今年已踏入第十個年頭。這個務實的機制充分體現保險業與勞工處及前保險業監理處攜手合作，以解決社會問題。過去十年裡，聯保計劃一直致力協助在投購僱員補償保險上遇到困難的僱主，為他們提供服務。

為確保有效地運作，聯保計劃由顧問委員會指導，該委員會由來自不同界別的代表組成，包括：保險業監管局、勞工處、職業安全健康局、立法局議員、僱主聯合會、法律界、會計界、再保公司、保險中介人，以及香港保險業聯會。正因如此，顧問委員會才得以確保聯保計劃能夠以「可負擔」、「有供應」、「易購買」、「具透明度」及「可持續」的原則運作。

顧問委員會每年最少舉行一次會議，以監察聯保計劃的運作。委員會各成員每一季均會收到季度報告，呈報聯保計劃每一季接獲的保險申請和已簽發的保單數目。

最後，謹此感謝委員會各位委員在過去一年予以戮力支持，並提供寶貴貢獻和專業意見。

顧問委員會主席
黃國添



10th Anniversary Cocktail Party

10周年酒會

The establishment of the Scheme was an important milestone in the history of employees' compensation insurance in Hong Kong. We held the 10th Anniversary Cocktail Party on 18 May 2017. More than 70 honorable guests and representatives from the Scheme Members joined the event. To coincide with the 10th Anniversary and get better connected with the stakeholders, a brand new website was officially launched by the Scheme at this special occasion.

成立聯保計劃是香港僱員補償保險發展史上的重要里程碑。聯保計劃於2017年5月18日舉行10周年酒會，超過70名嘉賓和會員代表出席了是次活動。為配合成立十周年及加強與持分者的聯繫，聯保計劃推出全新網站，並於慶典上正式啓動，成為當晚另一亮點。



ECIRS

10th
Anniversary



EURSB

10th Anniversary



List of Office-bearers

委員名錄



Membership list of the Board 理事會成員名錄

1 April 2016 to 31 March 2017
2016年4月1日至2017年3月31日

Chairman 主席

- 1 Mr Ronnie W F Ng 伍榮發先生
China Overseas Insurance Limited
中國海外保險有限公司

Deputy Chairman 副主席

- 2 Mr P L Chan 陳沛良先生
China Taiping Insurance (Hong Kong)
Company Limited
中國太平保險(香港)有限公司

Members 成員

- 3 Ms Mary M L Au 歐美蓮女士
AIG Insurance Hong Kong Limited
美亞保險香港有限公司
- 4 Mr David Robert Barry
QBE Hongkong & Shanghai Insurance Limited
昆士蘭聯保保險有限公司
- 5 Mr James C Y Chan 陳自然先生
Wing Lung Insurance Company Limited
永隆保險有限公司
- 6 Mr Dennis H N Chow 周克毅先生
Kono Insurance Limited
工安保險有限公司
- 7 Mr Eric K K Hui 許金桂先生
(appointed on 1.6.2016 委任)
Mr Allan K N Yu 余健南先生
(resigned on 31.5.2016 退任)
Zurich Insurance Company Limited
蘇黎世保險有限公司
- 8 Mr Jimmy W F Poon 潘榮輝先生
Dah Sing Insurance Co (1976) Limited
大新保險(1976)有限公司

- 9 Mr Christopher Read 利偉德先生
(appointed on 18.7.2016 委任)
Mr David M W Shi 施文偉先生
(resigned on 15.7.2016 退任)
AXA General Insurance Hong Kong Limited
安盛保險有限公司

- 10 Mr Jota Shohtoku 少德乘太先生
(appointed on 28.11.2016 委任)
Allied World Assurance Company Limited
世聯保險有限公司

- 11 Ms Peggy P Y Siu 蕭碧英女士
Bank of China Group Insurance
Company Limited
中銀集團保險有限公司

- 12 Mrs Irene L L So 蘇潘麗蓮女士
MSIG Insurance (Hong Kong) Limited
三井住友海上火災保險(香港)有限公司

- 13 Mr Manfred M K Tam 譚文光先生
Asia Insurance Company Limited
亞洲保險有限公司

- 14 Mr William P H Tam 譚柏熊先生
China BOCOM Insurance Company Limited
中國交通保險有限公司

- 15 Mr Andrew K C Wong 黃貴泉先生
Sun Hung Kai Properties Insurance Limited
新鴻基地產保險有限公司

- Mr C Y Chan 陳卓賢先生
(resigned on 27.11.2016 退任)
FWD General Insurance Company Limited
富衛保險有限公司

List of Office-bearers

委員名錄



Membership list of the Advisory Committee 顧問委員會成員名錄

1 April 2016 to 31 March 2017
2016年4月1日至2017年3月31日

Chairman 主席

- ① Mr Harry Wong 黃國添先生
Representative appointed by the Governing
Committee of the HKFI
保聯管治委員會代表

Members 成員

- ② The Hon K P Chan, GBS, JP
陳健波 GBS 太平紳士
Representative of the Insurance Functional
Constituency in Legislative Council
立法會保險界功能界別代表
- ③ Dr Aaron Chiang 蔣世源博士
Representative of the Employers' Sector
僱主業界代表
- ④ Ms Agnes Choi, MH 蔡香君女士, MH
Representative of General Insurance Council of
the HKFI
保聯一般保險總會代表
- ⑤ Ms Polly Ho 何健詠女士
Representative of the Reinsurers' Sector
再保公司業界代表
- ⑥ The Hon Kwok Wai-keung 郭偉強議員
Representative of the Labour Functional
Constituency in Legislative Council
立法會勞工界功能界別代表
- ⑦ Mr Ronald Lai 黎志誠先生
Member of the Insurance Brokers' Sector
保險經紀業界成員
- ⑧ Mr Ros Lam, JP 林家泰 太平紳士
Representative from the Office of
the Commissioner of Insurance
保險業監理處代表
- ⑨ Mr William Mak 麥志東先生
Representative from the Labour Department
勞工處代表
- ⑩ Mr Jack Ng 吳志強先生
Representative of the Hong Kong General
Insurance Agents Association Ltd
香港一般保險代理協會代表
- ⑪ Mr Ronnie Ng 伍榮發先生
Representative from the ECI Residual Scheme
Board
僱員補償聯保計劃管理局理事會代表
- ⑫ Mr Billy Wong 黃健竿先生
Accounting Professional
會計專業人仕
- ⑬ Ir Conrad Wong, BBS, JP
黃天祥工程師 BBS 太平紳士
Representative of the Occupation Safety &
Health Council
職業安全健康局代表
- ⑭ Ms Angela Yim 嚴淑兒女士
Legal Professional
法律專業人仕

List of Members

會員名錄

1 April 2016 to 31 March 2017
2016年4月1日至2017年3月31日



| | |
|--|--|
| ABCI Insurance Company Limited | 農銀國際保險有限公司 |
| AIA Company Limited | 友邦保險有限公司 |
| AIG Insurance Hong Kong Limited | 美亞保險香港有限公司 |
| Allianz Global Corporate & Specialty SE | 安聯環球企業及專項保險 - 香港分公司 |
| Allied World Assurance Company Limited | 世聯保險有限公司 |
| Asia Insurance Company Limited | 亞洲保險有限公司 |
| Assicurazioni Generali Societa per Azioni | 忠利保險有限公司 |
| AXA China Region Insurance Company (Bermuda) Limited | 安盛保險(百慕達)有限公司 |
| AXA General Insurance Hong Kong Limited | 安盛保險有限公司 |
| Bank of China Group Insurance Company Limited | 中銀集團保險有限公司 |
| Berkshire Hathaway Specialty Insurance Company | Berkshire Hathaway Specialty Insurance Company |
| Blue Cross (Asia-Pacific) Insurance Limited | 藍十字(亞太)保險有限公司 |
| California Insurance Company Limited | 加州保險有限公司 |
| Chevalier Insurance Company Limited | 其士保險有限公司 |
| China BOCOM Insurance Company Limited | 中國交銀保險有限公司 |
| China Merchants Insurance Company Limited | 招商局保險有限公司 |
| China Overseas Insurance Limited | 中國海外保險有限公司 |

| | |
|---|--|
| China Pacific Insurance Company (Hong Kong) Limited | 中國太平洋保險（香港）有限公司 |
| China Ping An Insurance (Hong Kong) Company Limited | 中國平安保險（香港）有限公司 |
| China Taiping Insurance (Hong Kong) Company Limited | 中國太平保險（香港）有限公司 |
| Chong Hing Insurance Company Limited | 創興保險有限公司 |
| Chubb Insurance Hong Kong Limited | 安達保險香港有限公司 |
| Concord Insurance Company Limited | 合群保險有限公司 |
| Dah Sing Insurance Company (1976) Limited | 大新保險（1976）有限公司 |
| Falcon Insurance Company (Hong Kong) Limited | 富勤保險（香港）有限公司 |
| FWD General Insurance Company Limited | 富衛保險有限公司 |
| HDI Global SE | HDI Global SE |
| Hong Leong Insurance (Asia) Limited | 豐隆保險（亞洲）有限公司 |
| HSBC Insurance (Asia) Limited | 滙豐保險（亞洲）有限公司 |
| Kono Insurance Limited | 工安保險有限公司 |
| Liberty International Insurance Limited | 利寶國際保險有限公司 |
| Min Xin Insurance Company Limited | 閩信保險有限公司 |
| MSIG Insurance (Hong Kong) Limited | 三井住友海上火災保險（香港）有限公司 |
| The New India Assurance Company Limited | 新印度保險有限公司 |
| The Pacific Insurance Company Limited | 太平洋保險有限公司 |
| Pafoong Insurance Company (Hong Kong) Limited | 寶豐保險（香港）有限公司 |
| The People's Insurance Company of China (Hong Kong), Limited | 中國人民保險（香港）有限公司 |
| Pioneer Insurance & Surety Corporation | 信孚保險有限公司 |
| Prudential General Insurance Hong Kong Limited | 保誠財險有限公司 |
| QBE General Insurance (Hong Kong) Limited | 昆士蘭保險（香港）有限公司 |
| QBE Hongkong & Shanghai Insurance Limited | 昆士蘭聯保保險有限公司 |
| Sompo Insurance (Hong Kong) Company Limited | 日本財產保險（香港）有限公司 |
| Sompo Japan Nipponkoa Insurance Inc. | Sompo Japan Nipponkoa Insurance Inc. |
| Starr International Insurance (Asia) Limited | Starr International Insurance (Asia) Limited |
| Sun Hung Kai Properties Insurance Limited | 新鴻基地產保險有限公司 |
| Swiss Re International SE, Hong Kong | Swiss Re International SE, Hong Kong |
| Target Insurance Company Limited | 泰加保險有限公司 |
| The Tokio Marine & Fire Insurance Company (Hong Kong) Limited | 東京海上火災保險（香港）有限公司 |
| Tugu Insurance Company Limited | 德高保險有限公司 |
| United Builders Insurance Company Limited | 建安保險有限公司 |
| Wing Lung Insurance Company Limited | 永隆保險有限公司 |
| Zurich Insurance Company Limited | 蘇黎世保險有限公司 |

Report on Applications Processed

投保審核報告

1 April 2016 to 31 March 2017
2016年4月1日至2017年3月31日



55 applications have been received during the period from 1 April 2016 to 31 March 2017. 1 case was accepted and provided EC cover by individual Scheme Members during internal circulation, 83 cases {including 37 one-day policies taken by 4 Qualifying Employers (QE)} were ultimately provided EC cover by the Scheme and the remaining cases were still pending for reply after the Scheme provided them with premium quotations.

Of the 55 applications, 41 belonged to the High Risk Groups. The remaining 14 QE could not find cover in the market upon renewal due to either poor claim experience or unsatisfactory risk management.

The Scheme had received 56 injury claims during the period under review.

In order to promote work safety, the Scheme offered 40%-50% premium discount to an insured employer awarded a star/gold star accreditation under the OSH Star Enterprise – RMAA Safety Accreditation Scheme*. According to our records, the claim rate of those policies was much lower than the others, which showed that better safety environment would help reduce work injury.

* In April 2012, the Occupational Safety and Health Council in collaboration with the Labour Department launched "OSH Star Enterprise – RMAA Safety Accreditation Scheme" to promote the effective safety measures, improve the working environment and enhance occupational safety.

於2012年4月，職業安全健康局與勞工處合作推出「職安健星級企業－裝修及維修業安全認可計劃」，以推動業界切實採取安全措施及改善工作環境，提升職安健表現。

聯保計劃於2016年4月1日至2017年3月31日期間，共收到55份投保申請書。其中1份在審核時已由個別計劃成員承保，另有83宗個案（包括由4位合資格僱主購買的37份單日保險單）已由聯保計劃承保，餘下的申請個案正等候相關的合資格僱主回覆是否接受聯保計劃提供的建議保費。

在所有申請個案中，41宗屬高風險行業，餘下的14宗因其公司過往的索償紀錄欠佳或風險管理未如理想，而未能於市場中成功續保。

在此報告期間，聯保計劃已收到56宗索償個案。

為提高工作安全，聯保計劃向已考獲*「職安健星級企業－裝修及維修業安全認可計劃」星級／金星級的受保僱主提供40%至50%的保費折扣優惠。根據本局的紀錄，這些受保僱主的索償率遠低於其他未考獲此認可計劃的受保僱主，這顯示安全的工作環境能有助減少工傷。

2017 Premium Benchmark Rates of the High Risk Groups ("HRG")

2017年高風險行業保費費率基準

S Yu & Partners Ltd, Actuaries & Consultants, has completed analyzing the premium benchmark rates of the HRG for 2017 by using the relevant data as at 31 December 2015. Due to the decrease in the number and severity of claims, the average premium rates have gone down by 3.6% when comparing with the previous year. However, the premium rate of Scaffolding has risen by 8%. The benchmark for 2017 is as below:

吳升精算顧問有限公司根據截至2015年12月31日的相關數據，已完成分析2017年高風險行業的保費費率基準。報告指出，由於申請索償的個案數目及賠償額均較往年減少，故平均保費費率比去年下降3.6%。然而，搭棚行業的保險費率則比去年高8%。2017年的費率基準如下：



High Risk Groups

高風險行業

Premium Benchmark Rate
保費費率基準
(% of Payroll)
(工資百分比)

| | |
|---|--------|
| Air Conditioner Installation Worker/Repairer 冷氣機安裝工人/維修工人 | 6.50% |
| Blasting 從事爆破 | 28.99% |
| Cleaning 清潔 | 3.07% |
| Crane Operator 吊機操作員 | 13.54% |
| Demolition Work 建築物清拆工作 | 79.39% |
| Diving 潛水 | 81.70% |
| Drain Repairer 修渠工人 | 6.32% |
| Earth Removal 搬泥 | 31.08% |
| Excavation 挖泥 | 31.08% |
| Filling & Reclamation 填土及堆填 | 31.08% |
| Gondola Worker/Window Cleaner 吊船工人/抹窗工人 | 41.22% |
| Logistics/Transportation 物流/運輸 | 6.09% |
| Neon Light Signboard Installation Worker/Repairer 霓虹燈箱安裝工人/維修工人 | 4.79% |
| Recycling 回收 | 16.61% |
| Scaffolding 搭棚 | 65.58% |
| Ship Repairer 船隻維修工人 | 12.53% |
| Steel Bending & Erection 紮鐵及鋼架工程 | 9.15% |
| Steeplejacks 高空作業工人 | 49.55% |
| Stevedores 碼頭裝卸工人 | 27.34% |
| Tunnelling 隧道工程 | 52.77% |
| Well Sinkers and Borers 掘井工人及鑽井工人 | 22.29% |
| Worker on Board Launch/River Trade Vessel 在內河商船上工作人士 | 8.77% |

Notes: - The above Rates have been revised due to the revision of the Levels of Compensation under the Employees' Compensation Ordinance and effective from 1 April 2017

- A premium loading and discount mechanism would be applied subject to final quotation

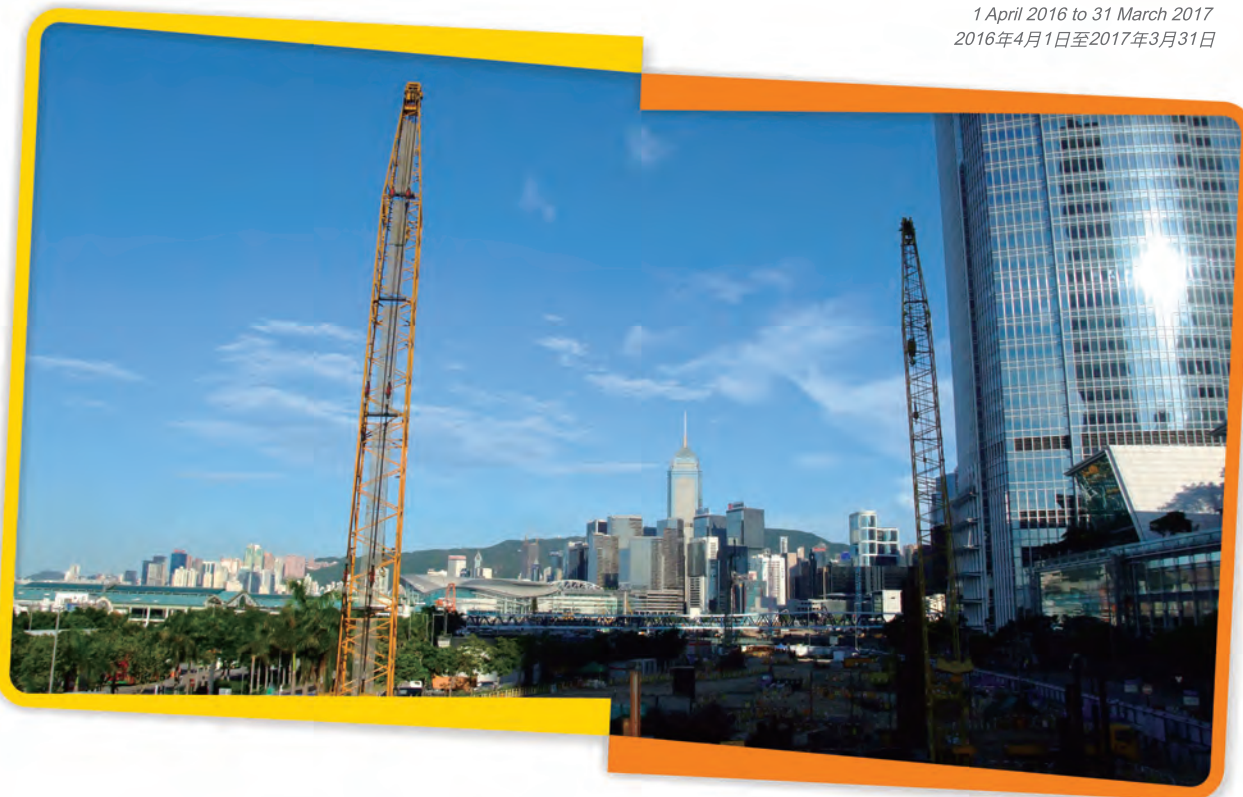
註：- 上述保費因《僱員補償條例》的補償金額調整後而修訂，並由2017年4月1日起生效

- 附加保費及/或折扣機制會按最後報價計算

Financial Statements

財務報表

1 April 2016 to 31 March 2017
2016年4月1日至2017年3月31日



Independent Auditor's Report

TO THE MEMBERS OF THE EMPLOYEES' COMPENSATION INSURANCE RESIDUAL SCHEME BUREAU LIMITED

(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of The Employees' Compensation Insurance Residual Scheme Bureau Limited ("the ECIRSBL") set out on pages 18 to 31, which comprise the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, the statement of changes in accumulated surplus and the cash flow 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 give a true and fair view of the financial position of the ECIRSBL as at 31 March 2017 and of its financial performance and its cash flows 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") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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 ECIRSBL 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.

Information other than the financial statements and auditor's report thereon

The members of the Board are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board members for the financial statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the members of the Board 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 members of the Board are responsible for assessing the ECIRSBL'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 members of the Board either intend to liquidate the ECIRSBL or 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. This report is made solely to you, as a body, in accordance with section 405 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.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgement and maintain professional scepticism 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 ECIRSBL's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Board.
- Conclude on the appropriateness of the members of the Board's 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 ECIRSBL'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 ECIRSBL 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 those charged with governance 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.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
16 October, 2017

Statement of financial position as at 31 March 2017

Expressed in Hong Kong dollars

| | Note | Administration Account | | Settlement Pool | | Cash Flow Account | | Total | |
|--------------------------------|------|------------------------|----------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ |
| ASSETS | | | | | | | | | |
| Non-current assets | | | | | | | | | |
| Property, plant and equipment | 4 | - | - | - | - | - | - | - | - |
| Intangible assets | 5 | - | - | - | - | - | - | - | - |
| Current assets | | | | | | | | | |
| Deposits and other receivables | 6 | 40,519 | 13,232 | 1,601,200 | 1,119,899 | 59,978 | 32,824 | 1,701,697 | 1,165,955 |
| Cash and cash equivalents | 7 | 584,384 | 696,149 | 3,380,697 | 2,506,655 | 18,950,000 | 10,850,000 | 22,915,081 | 14,052,804 |
| Tax recoverable | 12 | 385 | 35,459 | - | - | - | - | 385 | 35,459 |
| Deferred tax assets | 12 | 83 | 103 | - | - | - | - | 83 | 103 |
| Total assets | | 625,371 | 744,943 | 4,981,897 | 3,626,554 | 19,009,978 | 10,882,824 | 24,617,246 | 15,254,321 |
| FUNDS EMPLOYED | | | | | | | | | |
| Accumulated surplus | | 152,921 | 152,195 | - | - | - | - | 152,921 | 152,195 |

| | Note | Administration Account | | Settlement Pool | | Cash Flow Account | | Total | |
|---|------|------------------------|----------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ |
| LIABILITIES | | | | | | | | | |
| Current liabilities | | | | | | | | | |
| Member - Cash flow deposits | 7 | - | - | - | - | 18,950,000 | 10,850,000 | 18,950,000 | 10,850,000 |
| Member - Cash flow deposits interest | 6 | - | - | - | - | 59,978 | 32,824 | 59,978 | 32,824 |
| Member - Settlement pool account | | - | - | 4,420,004 | 3,147,467 | - | - | 4,420,004 | 3,147,467 |
| Other creditors and accruals | 8 | 472,450 | 592,748 | 561,893 | 479,087 | - | - | 1,034,343 | 1,071,835 |
| | | 472,450 | 592,748 | 4,981,897 | 3,626,554 | 19,009,978 | 10,882,824 | 24,464,325 | 15,102,126 |
| Total liabilities | | <u>472,450</u> | <u>592,748</u> | <u>4,981,897</u> | <u>3,626,554</u> | <u>19,009,978</u> | <u>10,882,824</u> | <u>24,464,325</u> | <u>15,102,126</u> |
| Total funds employed and liabilities | | <u>625,371</u> | <u>744,943</u> | <u>4,981,897</u> | <u>3,626,554</u> | <u>19,009,978</u> | <u>10,882,824</u> | <u>24,617,246</u> | <u>15,254,321</u> |

Approved and authorised for issue by the board of members on

Board members

Ronnie Ng

P L Chan

The notes on pages 23 to 31 form part of these financial statements.

Statement of profit or loss and other comprehensive income for the year ended 31 March 2017

Expressed in Hong Kong dollars

| | Note | Administration Account | | Settlement Pool | | Cash Flow Account | | Total | |
|--|------|------------------------|------------------|-----------------|--------------|-------------------|--------------|------------------|------------------|
| | | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ |
| Revenue | | | | | | | | | |
| Entrance fees | | 53,700 | - | - | - | - | - | 53,700 | - |
| Annual subscription fees | | 1,586,000 | 1,518,400 | - | - | - | - | 1,586,000 | 1,518,400 |
| Other receipts from members | | - | 555,833 | - | - | - | - | - | 555,833 |
| Sundry income | | 7 | - | - | - | - | - | 7 | - |
| | | <u>1,639,707</u> | <u>2,074,233</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,639,707</u> | <u>2,074,233</u> |
| Expenses | | | | | | | | | |
| Administration fees | 13 | 1,045,871 | 1,009,166 | - | - | - | - | 1,045,871 | 1,009,166 |
| Consultancy, legal and professional fees | | 276,193 | 801,143 | - | - | - | - | 276,193 | 801,143 |
| Audit fees | | 143,000 | 142,000 | - | - | - | - | 143,000 | 142,000 |
| Liability insurance | | 27,300 | 27,300 | - | - | - | - | 27,300 | 27,300 |
| Printing and stationery | | 66,750 | 64,620 | - | - | - | - | 66,750 | 64,620 |
| General expenses | | 80,123 | 27,163 | - | - | - | - | 80,123 | 27,163 |
| | | <u>1,639,237</u> | <u>2,071,392</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,639,237</u> | <u>2,071,392</u> |

| | Note | Administration Account | | Settlement Pool | | Cash Flow Account | | Total | |
|--|------|------------------------|--------------|-----------------|--------------|-------------------|--------------|--------------|--------------|
| | | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ | 2017 HK\$ | 2016 HK\$ |
| Profit before taxation | 9 | 470 | 2,841 | - | - | - | - | 470 | 2,841 |
| Income tax | 9 | 256 | 19,531 | - | - | - | - | 256 | 19,531 |
| Profit for the year | | 726 | 22,372 | - | - | - | - | 726 | 22,372 |
| Other comprehensive income for the year | | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | | 726 | 22,372 | - | - | - | - | 726 | 22,372 |

The notes on pages 23 to 31 form part of these financial statements.

Statement of changes in accumulated surplus for the year ended 31 March 2017

Expressed in Hong Kong dollars

| | 2017 HK\$ | 2016 HK\$ |
|---|----------------|----------------|
| Accumulated surplus as at 1 April | 152,195 | 129,823 |
| Total comprehensive income for the year | <u>726</u> | <u>22,372</u> |
| Accumulated surplus as at 31 March | <u>152,921</u> | <u>152,195</u> |

The notes on pages 23 to 31 form part of these financial statements.

Cash flow statement for the year ended 31 March 2017

Expressed in Hong Kong dollars

| | Note | 2017 HK\$ | 2016 HK\$ |
|--|------|-------------------|-------------------|
| Cash flows from/(used in) operating activities | 11 | <u>8,862,277</u> | <u>(964,781)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 8,862,277 | (964,781) |
| Cash and cash equivalents at beginning of the year | | <u>14,052,804</u> | <u>15,017,585</u> |
| Cash and cash equivalents at end of the year | 7 | <u>22,915,081</u> | <u>14,052,804</u> |

The notes on pages 23 to 31 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Legal status and principal activities

The Employees' Compensation Insurance Residual Scheme Bureau Limited ("the ECIRSBL") is a company incorporated under the Hong Kong Companies Ordinance and is limited by a guarantee of HK\$100 per member. Income and assets of the ECIRSBL shall be applied solely towards the promotion of the objectives of the ECIRSBL as set forth in its Memorandum of Association and no portion thereof shall be payable to the members of the ECIRSBL. The address of its registered office is 6th floor, Alexandra House, 18 Chater Road, Central, Hong Kong.

The ECIRSBL was incorporated under the Hong Kong Companies Ordinance on 11 April 2007. Its principal activity is to establish and operate a scheme to enable employers who are otherwise unable to do so to obtain employees' compensation insurance compulsorily required against employers' liability to their employees pursuant to the Employees' Compensation Ordinance and to facilitate issue of policies to such persons, appointment of an Appointed Service Provider to issue such policies on behalf of members, to facilitate underwriting of such policies and administering and handling of claims thereunder. All insurance companies which transact employees' compensation business have joined the ECIRSBL.

2 Summary of significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the ECIRSBL are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the ECIRSBL. None of these developments have resulted in changes to the ECIRSBL's accounting policies.

The ECIRSBL has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 14).

(b) Basis of preparation of the financial statements

The financial statements are presented in units of Hong Kong dollars (HK\$), unless otherwise stated, which is the ECIRSBL's functional and presentation currency.

The measurement basis used in the presentation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Revenue recognition

Subscription and entrance fees received and receivable by the ECIRSBL are recognised as income in the accounting year to which the subscription and entrance fee relates.

During the year, employees' compensation insurance policies were underwritten through the ECIRSBL as some employers could not obtain coverage in the market. The ECIRSBL does not recognise the cash received from the insured as revenue because the respective members of the ECIRSBL, not the ECIRSBL, underwrite these policies through the third party appointed service provider. The ECIRSBL records the cash receipt as cash and cash equivalents and a corresponding liability (Member - Settlement pool account) on its statement of financial position.

(d) Property, plant and equipment

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

Property, plant and equipment is depreciated at rates sufficient to write off their cost over their estimated useful lives on a straight-line basis over four years.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss.

At the end of each reporting period, both estimated and internal sources of information are considered to assess whether there is any indication that assets included in property, plant and equipment are impaired.

If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in profit or loss.

(e) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives on a straight-line basis over four years.

All other costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

(f) Deposits and other receivables

Deposits and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the ECIRSBL will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(h) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

(i) Provisions

Provisions are recognised when the ECIRSBL has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the ECIRSBL expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(j) Related parties

(a) A person, or a close member of that person's family, is related to the ECIRSBL if that person:

- (i) has control or joint control over the ECIRSBL;
- (ii) has significant influence over the ECIRSBL; or
- (iii) is a member of the key management personnel of the ECIRSBL.

(b) An entity is related to the ECIRSBL if any of the following conditions applies:

- (i) The entity and the ECIRSBL are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the ECIRSBL or an entity related to the ECIRSBL;
- (vi) The entity is controlled or jointly-controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the ECIRSBL.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Financial risk management

The ECIRSBL is exposed to financial risk through its financial assets and liabilities. The most important components of the financial risk are discussed below:

(a) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The ECIRSBL's assets consist of cash and cash equivalents. The cash balance is deposited with reputable and creditworthy banks. The ECIRSBL considers there is minimal credit risk associated with the bank balance.

(b) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The ECIRSBL's exposures to liquidity risk arise from the timing of cash outflow in meeting the outstanding accounts payable and accrued charges. The ECIRSBL manages liquidity risk by maintaining adequate reserves. The current financial strength of the ECIRSBL poses no threat of liquidity to the ECIRSBL. The following table summarises the timing of cash flow arising from the ECIRSBL's liabilities as of 31 March 2016 and 2017.

| | Carrying amount 31 March 2017 | On demand | Carrying amount 31 March 2016 | On demand |
|--------------------------------------|----------------------------------|-------------------|----------------------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Other creditors and accruals | 1,034,343 | 1,034,343 | 1,071,835 | 1,071,835 |
| Member - Cash flow deposits | 18,950,000 | 18,950,000 | 10,850,000 | 10,850,000 |
| Member - Cash flow deposits interest | 59,978 | 59,978 | 32,824 | 32,824 |
| Member - Settlement pool account | 4,420,004 | 4,420,004 | 3,147,467 | 3,147,467 |
| Total | <u>24,464,325</u> | <u>24,464,325</u> | <u>15,102,126</u> | <u>15,102,126</u> |

The ECIRSBL's sources of funding are the subscription fees generated from the members. Management regularly reviews the risks of shortage in funds and responds accordingly via the increment of the subscription fees. As part of the agreement between the ECIRSBL and the members, any shortfall in the Settlement Pool Account will be resolved via a cash call where members contribute an amount of the shortfall in the portion that is equivalent to their applicable proportion for the policy year.

(c) Currency risk

The ECIRSBL is not exposed to any currency risk as all the financial assets and liabilities held by the ECIRSBL are in Hong Kong dollars.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to change in market interest rate. The ECIRSBL is not exposed to interest rate risk as interest income is insignificant to the ECIRSBL's operations.

(e) Capital management

The ECIRSBL defines "capital" as its funds employed. As at 31 March 2017 and 2016, the total fund employed of the ECIRSBL are \$152,921 and \$152,195 respectively.

The ECIRSBL's objectives when managing capital are to maintain its ability to continue as going concern to fulfill its statutory obligation under the Hong Kong Companies Ordinance and to maintain adequate capital for the purpose of maximising its operational efficiency. Management regularly reviews and manages their capital to ensure adequacy for both operational and capital needs and determines the need to increase subscription fees to ensure such needs are fully covered.

There were no changes in the ECIRSBL's approach to capital management during the year.

4 Property, plant and equipment

| | Administration Account HK\$ |
|--------------------------------------|--------------------------------|
| Office and computer equipment | |
| Cost: | |
| At 31 March 2016 | 16,088 |
| Disposals | <u>(8,490)</u> |
| At 31 March 2017 | <u>7,598</u> |
| Accumulated depreciation: | |
| At 31 March 2016 | 16,088 |
| Written back on disposals | <u>(8,490)</u> |
| At 31 March 2017 | <u>7,598</u> |
| Net book value: | |
| At 31 March 2017 | <u> -</u> |
| Cost: | |
| At 31 March 2015 and 2016 | <u>16,088</u> |
| Accumulated depreciation: | |
| At 31 March 2015 and 2016 | <u>16,088</u> |
| Net book value: | |
| At 31 March 2016 | <u> -</u> |

5 Intangible assets

| | Administration Account | HK\$ |
|----------------------------------|------------------------|------|
| Software | | |
| Cost: | | |
| At 31 March 2015 and 2016 | <u>47,500</u> | |
| At 31 March 2016 and 2017 | <u>47,500</u> | |
| Accumulated depreciation: | | |
| At 31 March 2015 and 2016 | <u>47,500</u> | |
| At 31 March 2016 and 2017 | <u>47,500</u> | |
| Net book value: | | |
| At 31 March 2016 and 2017 | <u><u>-</u></u> | |

6 Deposits and other receivables

The fair values of the receivable balances are estimated to be approximately equal to the carrying amounts of these balances.

This is no concentration of credit risk with respect to these receivables.

7 Cash and cash equivalents

| | Administration Account | | Settlement Pool | | Cash Flow Accounts | | Total | |
|--------------------------|------------------------|----------------|------------------|------------------|--------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| Cash at bank and in hand | <u>584,384</u> | <u>696,149</u> | <u>3,380,697</u> | <u>2,506,655</u> | <u>18,950,000</u> | <u>10,850,000</u> | <u>22,915,081</u> | <u>14,052,804</u> |
| As at 31 March | <u>584,384</u> | <u>696,149</u> | <u>3,380,697</u> | <u>2,506,655</u> | <u>18,950,000</u> | <u>10,850,000</u> | <u>22,915,081</u> | <u>14,052,804</u> |

The HKFI acts as the administrator of the ECIRSBL pursuant to a service agreement dated 1 May 2007 and manages the Cash Flow Accounts on behalf of the ECIRSBL. On 16 October 2014, an addendum to the service agreement was signed between the HKFI and the ECIRSBL to clarify the legal set up of the trust account.

8 Other creditors and accruals

As at 31 March 2017 and 2016, all amounts were unsecured, non-interest bearing and expected to be settled within one year.

9 Income tax in the statement of profit or loss and other comprehensive income

Hong Kong Profits Tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year.

Taxation in the statement of profit or loss and other comprehensive income represents:

| | 2017 | 2016 |
|--|--------------|-----------------|
| | \$ | \$ |
| Current tax - Hong Kong Profits Tax | | |
| Provision for the year | 57 | 443 |
| One-off tax reduction | <u>(333)</u> | <u>(20,001)</u> |
| | <u>(276)</u> | <u>(19,558)</u> |
| Deferred tax | | |
| Origination and reversal of temporary differences | <u>20</u> | <u>27</u> |
| | <u>(256)</u> | <u>(19,531)</u> |
| Tax reconciliation | | |
| Profit before taxation | <u>470</u> | <u>2,841</u> |
| Notional tax on profit before taxation, calculated at the tax rate of 16.5% (2016: 16.5%) | 77 | 470 |
| One-off tax reduction | <u>(333)</u> | <u>(20,001)</u> |
| Actual tax recovery | <u>(256)</u> | <u>(19,531)</u> |

10 Board members' emoluments

During the year ended 31 March 2017, no amounts have been paid in respect of Board members' emoluments, pensions or for any compensation (2016: Nil).

11 Cash flows from operating activities

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| Profit before taxation | 470 | 2,841 |
| Changes in working capital: | | |
| Increase in deposits and other receivables | (535,742) | (252,869) |
| Decrease in amount due to HKFI | - | (500,250) |
| Increase in member deposits | 8,127,154 | 105,429 |
| Increase/(decrease) in settlement pool account | 1,272,537 | (180,866) |
| Decrease in other creditors and accruals | <u>(37,492)</u> | <u>(113,403)</u> |
| Cash generated from/(used in) operations | 8,826,927 | (939,118) |
| Hong Kong profits tax refunded/(paid) | <u>35,350</u> | <u>(25,663)</u> |
| Net cash generated from/(used in) operating activities | <u>8,862,277</u> | <u>(964,781)</u> |

12 Income tax in the statement of financial position

(a) Current taxation in the statement of financial position represents:

| | 2017 | 2016 |
|---|--------------|-----------------|
| | \$ | \$ |
| Provision for Hong Kong Profits Tax for the year (note 8) | 57 | 443 |
| Provisional Profits Tax paid | <u>(442)</u> | <u>(35,902)</u> |
| | <u>(385)</u> | <u>(35,459)</u> |

(b) Deferred taxation

The net movement on the deferred tax assets is as follows:

| | 2017 | 2016 |
|--------------------------|-------------|--------------|
| | \$ | \$ |
| At beginning of the year | (103) | (130) |
| Charge to profit or loss | <u>20</u> | <u>27</u> |
| At the end of the year | <u>(83)</u> | <u>(103)</u> |

The components of deferred tax assets recognised in the statement of financial position and movement during the year are as follows:

| | Accelerated depreciation | Total |
|--------------------------|-----------------------------|--------------|
| | \$ | \$ |
| At 1 April 2015 | (130) | (130) |
| Charge to profit or loss | <u>27</u> | <u>27</u> |
| At 31 March 2016 | <u>(103)</u> | <u>(103)</u> |
| At 1 April 2016 | (103) | (103) |
| Charge to profit or loss | <u>20</u> | <u>20</u> |
| At 31 March 2017 | <u>(83)</u> | <u>(83)</u> |

The amounts shown in the statement of financial position include the following:

Deferred tax assets resulting from accelerated depreciation:

| | 2017 | 2016 |
|--|-------------|--------------|
| | \$ | \$ |
| Deferred tax assets recoverable more than 1 year | <u>(83)</u> | <u>(103)</u> |

13 Related party transaction

(a) *The following transaction was carried out with related party during the year:*

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| Management and administration support fees paid to the HKFI | <u>1,045,871</u> | <u>1,009,166</u> |

The HKFI incurs costs on behalf of the ECIRSBL. The above fees are re-imburements of actual and shared costs determined by a contract renewable annually.

(b) *The outstanding balances with related party in the normal course of its business at the year end:*

| | 2017 | 2016 |
|--|--------------|--------------|
| | \$ | \$ |
| Reimbursement to the HKFI (Note 13(a)) | <u>4,571</u> | <u>8,948</u> |

14 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2017

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the ECIRSBL.

| | Effective for accounting periods beginning on or after |
|--|--|
| HKFRS 15, <i>Revenue from contracts with customers</i> | 1 January 2018 |

The ECIRSBL is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the ECIRSBL has identified some aspects of the new standards which may have a significant impact on the financial statements. As the ECIRSBL has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.



ECIRSB



10th
Anniversary

僱員補償聯保計劃管理局有限公司

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Residual Scheme Bureau Limited

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