

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: ~~Not applicable.~~

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: SME should be defined by its structure not size of revenue, e.g. private or listed

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: Investments are usually made long term & measuring by equity method may disrupt the understanding of FRS

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: A fuller picture is available

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason:

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

Professional accountant in practice  Professional accountant in business  
 Name \_\_\_\_\_  
 Organisation \_\_\_\_\_

\*\*\*\*\*THANK YOU\*\*\*\*\*

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
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Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
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Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

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Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: SUM NOT ENOUGH  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
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Agree  Disagree

Reason: \_\_\_\_\_  
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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

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Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
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Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
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Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

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Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: As some ~~small~~ holding companies have less net asset and financial info than full FRs.

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: NO, no always turnover may not be a good indication. But no. of employees & asset value. Should be a good indication.   
 *I will suggest to use no. of shareholders say 20 or 10, 6*

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
Equity method:  Agree  Disagree

Reason: But, if the disclosure requirement for associates & jointly controlled entities are already met.

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Actually, not ~~for~~ of value to most of the small companies

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_  
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Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: Same work

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Same work

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Same work

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Should cater for non-profit making organisations  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
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Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
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Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Agree  Disagree

Reason: HK company has many (HOPE) in PRE but still a SME.

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: Cost savings as consolidated accounts are not preferred by SME group

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: No real benefits the it is not easily understood by the clients

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

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Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: not relevant for nowadays economy conditions

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

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Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

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Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
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Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: indirect method preferred for cost efficiency

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

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Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

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Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: But the limit should be appropriately increased

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Cash flow statement though one row to prepare gives signs of financial health of an entity

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

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Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

*None*  
 \_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

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Agree  Disagree

Reason: \_\_\_\_\_  
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Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
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Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Not required for users for SMEs

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

too onerous because SME-FRS can only be applied if all shareholders agree.

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

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Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: Some group is only a small one.

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Suggest all private co can use SME-FRF

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Users do not think it is useful.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

-----THANK YOU-----

If you wish to submit additional comments, you may complete and return the electronic questionnaire at <http://prd01.hkicpa.org.hk/phpsurveyor/index.php?sid=228> before the consultation deadline, 30 September 2008.



**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

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**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: "Groups" can cover only small private companies

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Too complex, shareholders & directors of small companies should have a good understand on the company's picture. Users such as I.R.D. and bankers will request

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

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**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: ~~\_\_\_\_\_~~

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_ YES, \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: Some of the small private ~~company~~ holding companies has minimum transactions & client use the company for holding purpose only. Preparing financial statements to using full GAAP is not necessary for client.

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: If ~~small~~ the size can amend upward (eg. Turnover size) it may be more appropriate.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: Cost method for consistency of the <sup>current</sup> ~~previous~~ SME-FRS.

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: For a <sup>client of</sup> \$3000 - \$4000 fee income, preparing cash flow is not worth + some client don't even interested with the cash flow

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: Personally I prefer direct method, but giving a choice is not a bad idea.

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

Professional accountant in practice  Professional accountant in business

Name: \_\_\_\_\_

Organisation: \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: No significant use to user  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

*If you wish to submit additional comments, you may complete and return the electronic questionnaire at <http://prd01.hkicpa.org.hk/phpsurveyor/index.php?sid=228> before the consultation deadline, 30 September 2008.*

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: There are a no. of private groups.

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Size criteria currently adopted are so outdated, not realistic => Many private groups/companies have turnover/assets > \$50m, are not willing to choose big GAAP.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

*Company holding a parent may  ~~cost~~ > from assets.*

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Actually it is useless for most companies.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

Yes See Q4. Cash flow statement is useless to most companies.

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_  
 Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: *From the users point of view, this is a historical data and not much use for future projection*

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: <sup>①</sup> No size test requirement for a single private company is proposed in HK, same as current situation - Overseas Co and a small private company should only be required to prepare consolidated FS. <sup>②</sup> Size test should be based on the nos of subd. involved with a max capped at a certain figure.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: For equity method, lesser disclosure should be made by reference to SSAP 10 and SSAP 21 adopted prior to 4/1/2005.

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: As most of the shareholders of the private companies are also the directors/managing the company.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

Should use lesser disclosure by reference to SSAPs adopted for financial year end prior to 4/1/2005.

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~



**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

*Size test suggested: sales < 100m  
 staff < trading JD  
 manuf. < 500*

Agree  Disagree

Reason: *Because some manufacturing Co has more than 10 staff and sales > 50 sales but is still a small Co, size test no longer appropriate.*

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

*N b*

\_\_\_\_\_

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Perhaps stated it still a historical data, it may not be useful for user/ banker. They sometimes, they request for the budget cash flow.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: Indirect method is necessary; and nobody.

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: Cash flow statement should be optional

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: 50 employees limitation should be considered to extend. The criteria is easy to meet.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: meet international standard

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: *!! Consider SME-FRS only apply and cater for very small entities and cash flow statement is when less value to the Co. I think maybe when size that very minor over 20M, then cash flow statement is applicable*

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Given inflation the turnover / asset value should be doubled to HK \$100 M.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

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**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: *Should be more relaxed to cover entities with no public significant interest.*

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name

Organisation

~~~~~THANK YOU~~~~~



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Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

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Cost method:  Agree  Disagree  
Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

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Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

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Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Not cost effective, not required by most  
small company owners. Banks require T&F views mostly

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

No

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

-----THANK YOU-----

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

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Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

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Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes *with exemption for turnover under a certain amount*  No  
 Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: It allow small company to form a group structure.

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Criteria should be reviewed periodically.  
Asset value should at least increase to \$100M.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: Easy to understand.

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Not difficult to do.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: The most important point is <sup>easy to</sup> understand.

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

should keep as simple as possible as SME-FRS is applicable to small organization only.

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Size test be extended to HK\$ 100 million for revenue  
staff no > 100 (holding + subsidiaries)

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

*No*  
\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~



**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Not very meaningful for SME  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

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Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

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Cost method:  Agree  Disagree  
Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

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Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Some small group in trading business with cross c/c,  
reported annual revenue ~~up to~~ \$100m!!

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Optional is better with size test.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

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Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: To enable company(s) to use SME by expanding S141D to cover group, etc

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: 50s too small. Use 200 all round more realistic. eg. \$200 of assets, \$200 m turnover, 200 staff. Plan for inflation & look ahead. Why 2 out of 3? Why not ANY ONE.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: OPTIONAL if required by client company.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

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**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Size test = turnover, not assets should be used  
\$ (not HK\$) million or \$100 million

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

If you wish to submit additional comments, you may complete and return the electronic questionnaire at <http://prd01.hkicpa.org.hk/phpsurveyor/index.php?sid=228> before the consultation deadline, 30 September 2008.

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: should increase the size by 100?  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~



**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: reduce cost  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Most of cos have not concern cash flows stat.  
it may have option to prepare.  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: reduce cost  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

No  
 \_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

*If you wish to submit additional comments, you may complete and return the electronic questionnaire at <http://prd01.hkicpa.org.hk/phpsurveyor/index.php?sid=228> before the consultation deadline, 30 September 2008.*

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: No applicable for those small cos which can self-finance and  
no need to get bank loans.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: It gives a choice for eligible entities not to prepare group accounts if suitable for exemption from preparation of group accounts

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Size criteria could be manipulated by entities wishing to apply SME-FRS. I suggest to adopt unanimous written consent of all shareholders not to prepare group accounts rather than using size test.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree ( It is simple to account for )

Equity method:  Agree  Disagree ( It gives a truer picture of "True & Fair" view )

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: I agree for those entities with aggregate revenue of more than HK\$50m <sup>only</sup> <sup>annual</sup> to include cash flow statement.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: For consistency & comparability for with those entities using full HKFRS framework.

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

I have no comment on sections 18 to 22 of the SME-FRS unless a section <sup>there</sup> has been <sup>in order</sup> <sup>simple</sup> <sup>to</sup> <sup>apply</sup> <sup>them</sup> <sup>to</sup> <sup>small</sup> <sup>entity</sup> <sup>but</sup> <sup>it</sup> <sup>should</sup> <sup>be</sup> <sup>based</sup> <sup>upon</sup> <sup>the</sup> <sup>principle</sup> <sup>of</sup> <sup>simplicity</sup> <sup>to</sup> <sup>apply</sup> <sup>them</sup> <sup>to</sup> <sup>small</sup> <sup>entity</sup>

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

THANK YOU

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: The size test is suggest to extend. ∴ too small.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

*Other opinions =  
 Not all users of the accounts understand  
 "Fair Value". In fact, fair value  
 may affect the user to view the actual*

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_

*Suggest, a picture of a company.  
 If "fair value" only shows in the notes  
 it is material to the value of the assets, rather than reflect in the*

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

*Balance sheet*

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

\*\*\*\*\*THANK YOU\*\*\*\*\*

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

If you wish to submit additional comments, you may complete and return the electronic questionnaire at <http://prd01.hkicpa.org.hk/phpsurveyor/index.php?sid=228> before the consultation deadline, 30 September 2008.

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash-flow statement? If not, why not?

Yes  No  
 Reason: It is not cost-effective.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~



**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FFR) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FFR and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FFR appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: *enlarge the size limit to 200M HK\$*  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: not address the environmental change  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: SME-FRF and SME-FRS presently in operation fail to apply to the reporting of group companies.

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: To avoid misuse of SME-FRF applied to those private companies of which reporting under SME-FRF is ~~irrelevant~~ irrelevant.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: Net assets and performance of associates / joint controlled entities are completely silent under cost method.

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Cash flow statement is valuable information for a F/S user.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: Two options allow the F/S preparer have a better choice for F/S presentation.

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

No.

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: As there is such needs, for small groups

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Such be more flexible to be able to adjust.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: SME should be simple

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Should be included on optional or size test basis.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

\*\*\*\*\*THANK YOU\*\*\*\*\*

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: too small  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

-----THANK YOU-----

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

If you wish to submit additional comments, you may complete and return the electronic questionnaire at <http://prd01.hkicpa.org.hk/phpsurveyor/index.php?sid=228> before the consultation deadline, 30 September 2008.

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

*If you wish to submit additional comments, you may complete and return the electronic questionnaire at <http://prd01.hkicpa.org.hk/phpsurveyor/index.php?sid=228> before the consultation deadline, 30 September 2008.*

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: if individual HK company does not have size test, why do you set size criteria for HK group company?

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
 Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: it's ok for ~~prop~~ inclusion of cash flow statement.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: prefer indirect method.

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~



**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: As long as restriction/limitations can be reasonably set out

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: make it more realistic and applicable to HK local companies

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: shareholders are more concerned with profitability

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

-----THANK YOU-----

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: Some single group don't need complicated full Gaap -

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: reasonable for "small group"

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: I think some very small company should not need to incl. cash flow statement.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

Can't think of any!

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: Many HK co owners simply invest in PRC co which result in group cos. However, not material business size but result in huge nos of disclosure.

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Same reason for small co, Owners do not care. So, I suggest put a size criteria.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

If you wish to submit additional comments, you may complete and return the electronic questionnaire at <http://prd01.hkicpa.org.hk/phpsurveyor/index.php?sid=228> before the consultation deadline, 30 September 2008.

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: The criteria can be reached very  
easy

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

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**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
 \_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~



**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: only applicable to simple groups. For example a  
holding co holding a subsidiary holding a property

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not? *for holding group*

Agree  Disagree

Reason: \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree  
Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
\_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

\_\_\_\_\_  
\_\_\_\_\_

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: many groups are very small.

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: size is too small.

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: because I don't think it is very useful to users.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

If you wish to submit additional comments, you may complete and return the electronic questionnaire at <http://prd01.hkicpa.org.hk/phpsurveyor/index.php?sid=228> before the consultation deadline, 30 September 2008.

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: Should increase the size criteria.  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Direct method is difficult to prepare  
Indirect method is not very useful.

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

No cash flow statements.  
 \_\_\_\_\_  
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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~

**Exposure Draft of Proposed Amendments to Small and Medium-Sized Entity Financial Reporting Framework (SME-FRF) and Proposed Sections of Small and Medium-Sized Entity Financial Reporting Standard (SME-FRS)**

Q.1 - Do you agree that the SME-FRF and SME-FRS should be amended to cover groups? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.2 - Do you agree that the size criteria set out in paragraph 24 of the SME-FRF appropriately identify a "small group" in Hong Kong? If not, why not?

Agree  Disagree

Reason: no definite reference to the thresholds  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.3 - Do you agree that at the company level, investments in associates and interests in jointly controlled entities should be accounted for using the cost method? If not, why not? Do you agree that when an investor / a venturer presents consolidated financial statements, investments in associates and interests in jointly controlled entities should be accounted for using the equity method? If not, why not?

Cost method:  Agree  Disagree

Equity method:  Agree  Disagree

Reason: Simplicity  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.4 - Should a complete set of financial statements prepared under the SME-FRS be required to include a cash flow statement? If not, why not?

Yes  No

Reason: Simplicity  
 \_\_\_\_\_  
 \_\_\_\_\_

Q.5 - If a cash flow statement is required, do you agree that either the direct method or indirect method can be used for reporting cash flows from operating activities, as set out in paragraph 22.7 of the SME-FRS? If not, why not?

Agree  Disagree

Reason: \_\_\_\_\_  
 \_\_\_\_\_

Q.6 - Are there any disclosure requirements included in sections 18 to 22 of the SME-FRS that you consider are too onerous for SMEs and therefore should be excluded? If so, what are they and why?

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Professional accountant in practice  Professional accountant in business

Name \_\_\_\_\_

Organisation \_\_\_\_\_

~~~~~THANK YOU~~~~~