

2012 ANNUAL REPORT

Engagement

2012 calls charges
Internet Service online fraud
Multimedia Annual
Consumer Education Unresolved Forum
Associations Billing Complaints
CFM Komunikasi dropped
Communications Pengguna refund
Mobile delay unfair blocked overcharging Code
PayTV Discussions Practice error Consultation
roaming Unresolved service
Conditions Billing dropped refund
Landline Satellite Platform

CFM

Communications and Multimedia
Consumer Forum of Malaysia

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CORPORATE INFORMATION

AUDITORS

Shanker & Co Chartered Accountants (AF1881)
Unit K-1-3, Block K, Dataran Ara Damansara, 47300 Petaling Jaya, Selangor, Malaysia
Tel: 603-7845 9418 Fax: 603-7845 8418

REGISTRAR

Pendaftar Pertubuhan Malaysia
Registered on 13 February 2001
Registration No: 170

REGISTERED OFFICE

Forum Pengguna Komunikasi Dan Multimedia Malaysia
(Communications & Multimedia Consumer Forum of Malaysia)
6-02, 6th Floor, Wisma Straits Trading, No 2 Lebuhr Pasar Besar, 50050 Kuala Lumpur, Malaysia

BANKERS

Bank Muamalat Malaysia Berhad
CIMB Bank Berhad

MESSAGE FROM THE CHAIRMAN

2012 was a year of great progress for Malaysia as our country witnessed an average 12% growth of subscribers for communications and multimedia services in Malaysia from 2011 to 2012 which include mobile phone, broadband Internet as well as paid television. It is with this backdrop that CFM, tasked with handling unresolved complaints highlighted by consumers, promoting awareness on consumer rights as well as producing industry codes which represent a guideline on industry best practices, continued its initiatives to achieve new milestones for the year.



The Board of Council had also been actively involved in charting the strategic direction of the Forum through various meetings and discussions, including a brainstorming session with the members and I am happy to note that this has resulted in a renewed push towards greater awareness of CFM and its roles to the general public.

As Chair of the Council, I am proud to have overseen several achievements in terms of awareness and outreach, particularly the number of people that we have engaged both in terms of consumers as well as the addition of new members to our organisation. Our organisation is now *enriched* by the participation of 40 members representing various organisations from the industry, consumer associations, academia as well as individuals and I was particularly encouraged to see that the presence and engagement of our members have made the discussions more meaningful and relevant. This can only mean that CFM will continue to grow further for many years to come.

Over the 12 months, CFM has intensified its activities in reaching out to a wider population through various platforms, both online and offline. Our awareness programs have reached out to a higher number of people compared to 2012 and as more people are made aware of our role and services, we have received a big increase in the number of unresolved complaints from the public.

Undeniably, success does not come without challenges as awareness retention and turnaround time in resolving complaints at industry level remained high. As technology advancements are made on a daily basis, so does consumer behaviour, response and issues related to the changes in communications and multimedia landscape. It is my belief that consistency and collective effort would be the key elements to overcome these challenges.

I would also like to note that, our achievements in 2012 would not have been possible without the cooperation, collaboration, contributions and support of all our members and various other stakeholders, including the hard-working team at the Secretariat. I would therefore like to extend my deepest gratitude to everyone who has contributed towards the success of CFM in 2012. I expect that these strong partnerships will continue to grow and I am confident that the Forum's position as a focal reference point for all consumer matters related to communications and multimedia will be further strengthened in 2013.

Thank you.

OUR BOARD OF COUNCIL



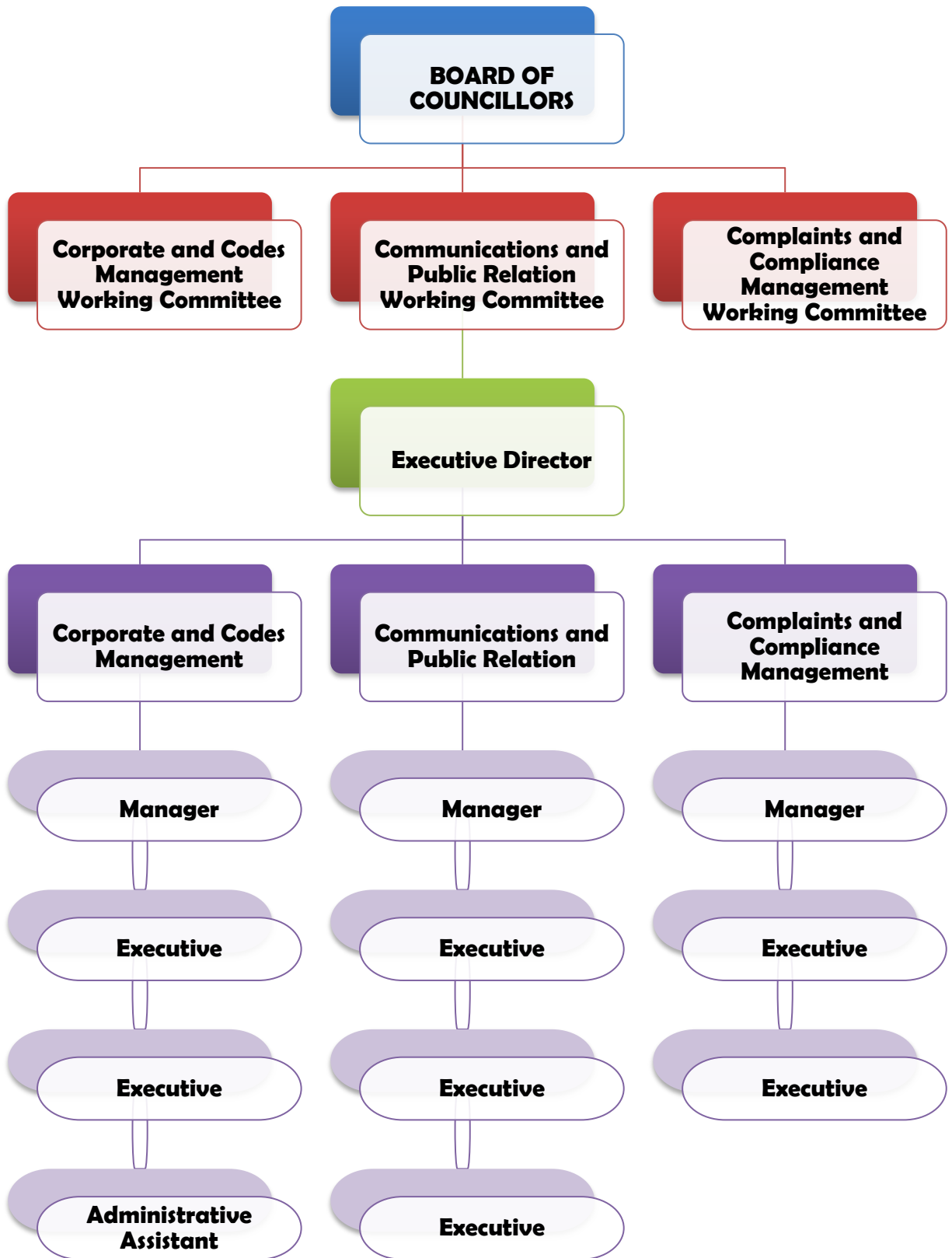
OFFICE BEARERS

1.	Mahfuzah binti Azahari	Chairman	Maxis Mobile Services Sdn Bhd
2.	Normazalila binti Abu Bakar @ Harun	Deputy Chairman	Multimedia University
3.	Mediha binti Mahmood	Treasurer	Measat Broadcast Network Systems Sdn Bhd (Astro)
4.	Awang Kamaludin bin Jumat	Secretary	Telekom Malaysia Berhad (TM)

COUNCILLORS

5.	Ravinder Singh A/L Mall Singh	Councillor	Consumer Association of Penang (CAP)
6.	Abdul Rahman bin Samad	Councillor	Pertubuhan Pembimbing Kewangan Pengguna & Keluarga Malaysia (KPM)
7.	Laili Hanim binti Mahmood	Councillor	Sistem Televisyen Malaysia Sdn Bhd (TV3)
8.	Mohd Mustaffa bin Hamzah	Councillor	Persatuan Pengguna Islam Malaysia (PPIM)
9.	Engku Norhazimah binti Engku Mohamad	Councillor	Packet One Networks (M) Sdn Bhd
10.	Elistina binti Abu Bakar	Councillor	Persatuan Ekonomi Pengguna & Keluarga Malaysia (MACFEA)
11.	Lok Yim Pheng	Councillor	Kesatuan Perkhidmatan Perguruan Kebangsaan (NUTP)
12.	Roslan bin Rosli	Councillor	DiGi Telecommunications Sdn Bhd
13.	Jamaludin bin Abdullah	Councillor	Celcom Axiata Berhad

ORGANISATION STRUCTURE



EXECUTIVE DIRECTOR'S REVIEW OF OPERATIONS



It has been a busy 2012 at the Consumer Forum where more emphasis was given to increasing consumer awareness through related activities together with ensuring that consumer complaints and issues were resolved swiftly and satisfactorily.

Making the public aware of the issues related to communications and multimedia is a mammoth task and what we have done is to expand our reach through getting more exposure by participating in relevant and related events as well as enhancing our visibility through the printed and electronic media.

CFM participated in 38 ground activities which included exhibitions, seminars and workshops throughout the country where we continued to share with the consumers the various roles of CFM, particularly those in East Malaysia to support the increased network coverage and broadband penetration in the two states.

Further to this, CFM also made some inroads in our public relations activities when we had our first Public Service Announcement aired on broadcast TV for the first time. The exposure we received also translated into an increase in activity of our online channels as consumers become more aware of CFM and its roles. These activities significantly contributed to an increase of 181% in the number of complaints received where 3,631 issues were reported to us compared to 1,291 in 2011. A breakdown of the complaints will be detailed in the pages that follow.

To help manage the complaints better and to ensure that the resolution time of the complaints comply with the benchmark set in the General Consumer Code of Practice for the Communications and Multimedia Industry Malaysia (GCC), we continue to make improvements to our various complaints channels including our Online Complaints Portal (CoP).

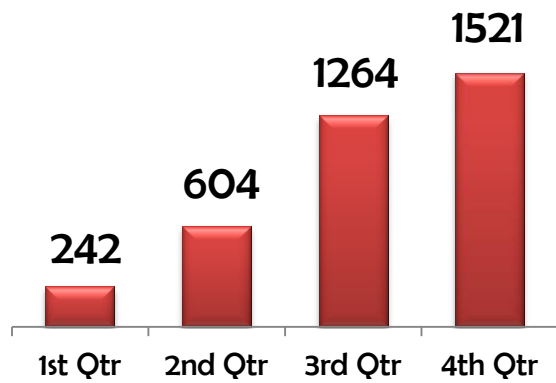
In parallel, we have continued with discussions with our stakeholders in view of reviewing the GCC to address new issues and dimensions that were not covered when it was initially drafted.

On another note, CFM received a grant of RM2 million from MCMC on 6 July 2012, adding to the balance of RM309, 954 that was brought forward from 2011 resulting in a balance of RM1,488, 668 at the end of the year. In addition, we have collected an amount of RM40, 640 from membership fees as well as RM307 in the form of Hibah from the bank. This has allowed CFM to roll out its planned activities in a more comprehensive way to achieve the targets set for 2012.

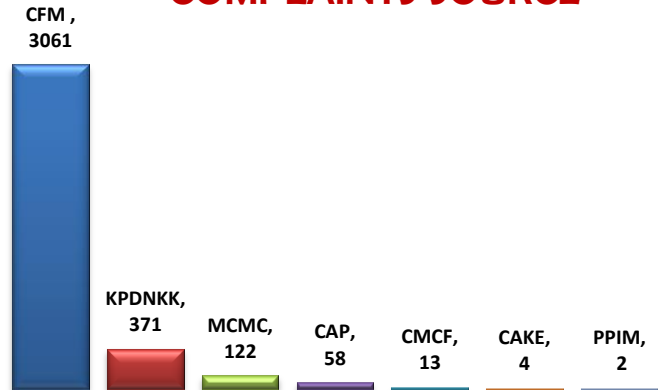
The CFM Secretariat continued to grow in size and we have added two new positions to make it 10-people strong in order to serve our stakeholders better and help us pursue our goals. I believe that with the support that we have received, CFM will continue to champion consumer issues in communications and multimedia through continuous engagement and consultation with the industry and consumer groups as well as through education and empowerment of the end-users themselves.

SNAPSHOT OF COMPLAINTS RECEIVED IN 2012

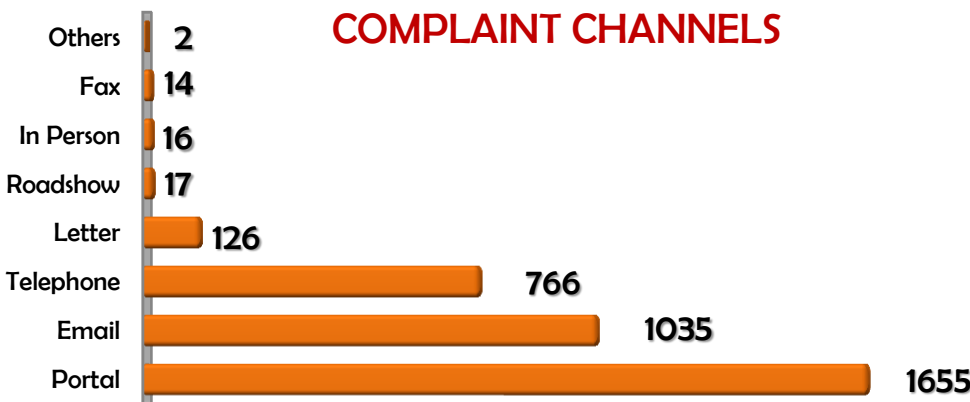
COMPLAINTS BY QUARTER



COMPLAINTS SOURCE



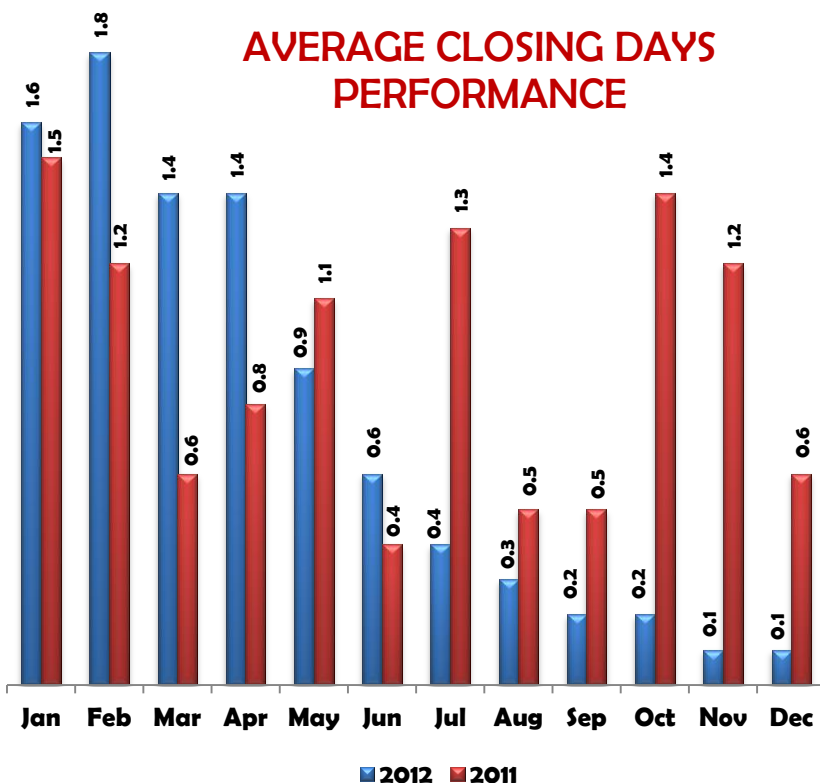
COMPLAINT CHANNELS



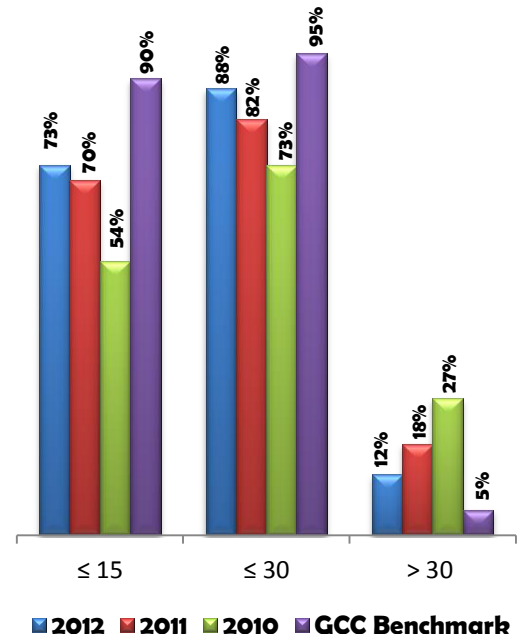
MCMC	Malaysia Communication and Multimedia Commission
CMCF	Communications and Multimedia Content Forum of Malaysia
PPIM	Persatuan Pengguna Islam Malaysia
KPDNKK	Kementerian Perdagangan dalam Negeri, Koperasi dan Kepenggunaan
CAP	Consumer Association of Penang
CAKE	Consumer Association of Kedah

COMPLAINTS PERFORMANCE

AVERAGE CLOSING DAYS PERFORMANCE



RESOLUTION TIME CYCLE PERFORMANCE



CCMD COMMITTEE REPORT

1. Introduction

1.0 The Consumer Forum mediates complaints from consumers about Service Providers which provide communications services to the public. This includes operators providing fixed, mobile, Internet, broadcast TV and radio services. Before CFM can become involved in a complaint about a Service Provider, the Service Providers must first be given the opportunity to sort the dispute out

1.1 What we can and cannot do is set out in our General Consumer Code (GCC)

1.2 We are independent, meaning that we do not take sides and we make our decisions based on the facts. Consumers can use our services free of charge.

2. Complaints and Compliance Management Committee (CCMD)

2.0 Working committees are set up to direct and manage specific issues which form the work agenda of CFM. Members of the CFM's Board of Council are selected to head these working committees whilst CFM itself acts as the Secretariat in these working committees

2.1 CCMD's strategic focus is to recommend, plan, review, provide recommendation and drive complaints and compliance activities

2.2 The head of the CCMD is the representative from the Consumer Association of Penang (CAP), whilst CCMD members are from Persatuan Pengguna Islam Malaysia (PPIM), Celcom and TuneTalk

3. 2012 Activities and Achievements

3.0 Department Activities

We participated in 34 discussions and meetings with MCMC, CFM members and various industry players. Issues discussed involved improving the complaint system and processes, resolving consumer issues and others.

3.1 Targets for 2012

Our strategic focus for 2012 is to become one stop centre for complaints management, mediation and dispute resolution for the communications and multimedia services sector

4. Issues and Challenges

4.0 On certain issues, such as jurisdictional rules and consumer protection, CFM plays a critical role in resolving complaints brought forth by Consumers against Service Provider. At other times, CFM is more reactive; we monitor and track new and emerging consumer issues and create awareness programs to educate the Consumer in relation to communication and multimedia service.

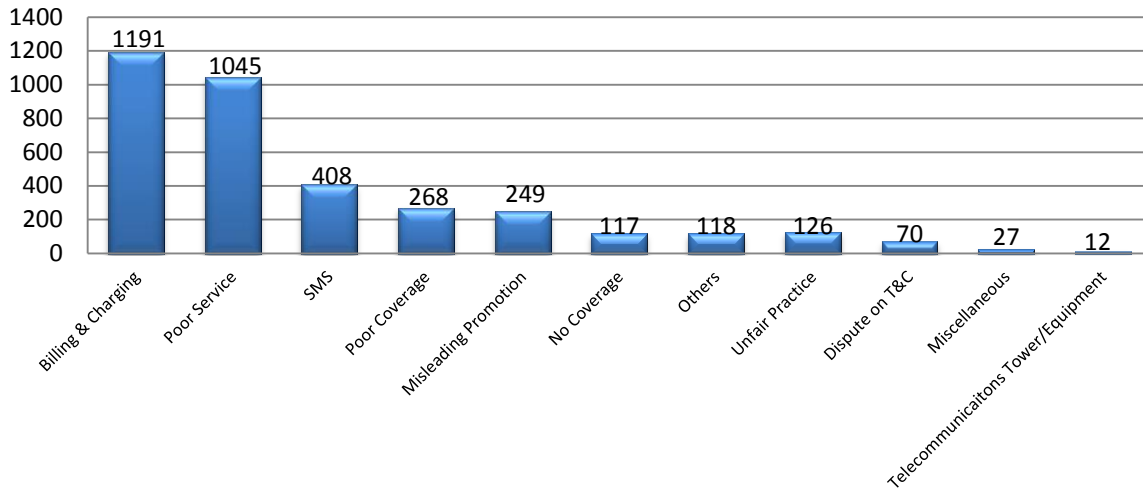
5. Way forward for 2013

5.0 To successfully manage the increase number of complaints received which is a 50% increase in total number of complaints from the previous year 2012. One of the reasons for the increase experienced from Q3 2012 is the campaign by CFM launched in mid-2012 to increase awareness of the Consumer's right to get CFM's assistance to redress their issues.

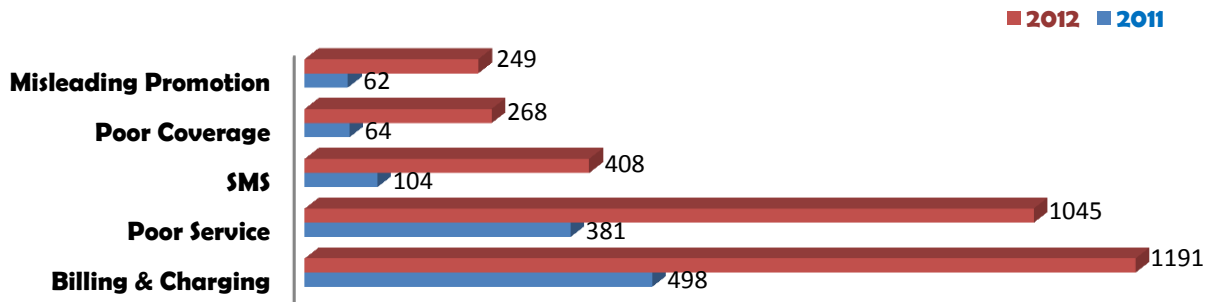
5.1 Adhere with Resolution time cycle performance as stipulated in General Consumer Code (GCC)

CCMD COMMITTEE REPORT

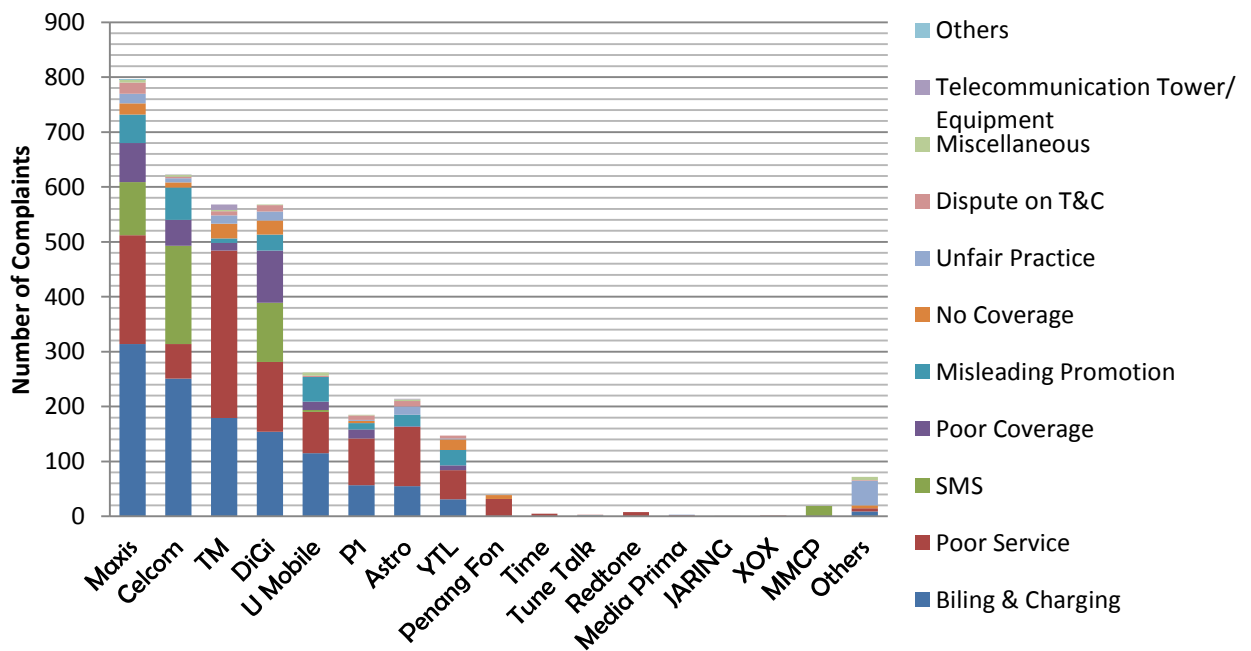
2012 COMPLAINTS STATISTICS



TOP 5 COMPLAINT CATEGORY : 2011 vs 2012



Service Provider Complaints Statistics for 2012



CDMD COMMITTEE REPORT

About the Corporate and Codes Drafting Department

The department has both corporate and operational responsibilities covering human resources, administration, finance, management of Council Meetings and Annual General Meetings, codes drafting activities and general affairs and maintenance of the forum's office.

The Working Committee and their Functions

The Corporate and Codes Drafting Working Committee is chaired by Puan Mahfuzah Azahari from Maxis and comprises of equal members from both supply and demand. In 2012, the committee continued to focus on the GCC review exercise and the establishment of the ADR mechanism in CFM.

Activities, Achievements in 2012 and Targets for 2013

GCC Review

Activities of the GCC Review Working Committee in 2012 continued to progress from 2011's completion of the GCC review exercise, where the completed work and supporting documentation were submitted to MCMC for further deliberations. The GCC Review is currently still in progress and discussions with MCMC on-going.

For 2013, the Working Committee's objectives will be to collaborate with MCMC to incorporate current developments of the various components of the communications and multimedia industry into the review before it is finalised. The Committee hopes to work closely with MCMC to see through the completion of the registration of the revised GCC, after which work on the Sub Codes will follow.

The Sub Codes consist of Fixed Services Sub Code and Public Cellular Service Sub Code.

Alternative Dispute Resolution (ADR)

Meanwhile, the establishment of the Alternative Dispute Resolution (ADR) centre, the first of its kind in the country, continues to take shape as the project gradually progresses from development to implementation stage.

For 2013, the committee will be conducting a benchmarking visit to the Office of Communications (OfCom) in the United Kingdom to obtain a better understanding on the practical implementation of the ADR in the communications industry. This visit would enhance the work that is being currently undertaken as the UK already has in place several dispute resolution mechanisms in the communication industry.

The committee will also focus on working very closely with MCMC in 2013 to ensure the successful implementation of Malaysia's first ADR.

CDMD COMMITTEE REPORT

Guideline for Mobile Agents & Dealers

The idea for the development of the Guideline for Mobile Agents & Dealers was first initiated at the CFM Retreat in 2011 following a suggestion from MCMC and upon review of the rising number of complaints from consumers on misrepresentation by agents and dealers of the communications and multimedia industry. The guidelines were necessary to ensure that dealers and agents of the service providers conduct themselves in a professional manner when carrying out duties.

The idea was later approved by the council and work officially began in Quarter 2 of 2012. The Committee started working on developing the guidelines that will serve as an industry guide for agents and dealers in the industry. The scope of work in 2012 mainly involved benchmarking studies and compilation of industry feedback.

The first stage of the drafting process has been completed and the draft has since been presented to CFM members for sharing and discussion, at the same time working committee meetings with the industry will commence in 2013. CFM hopes to be able to finalize the draft for approval submission to SKMM by year end 2013.

Staffing and Personal Development

Staffing

For year ending 2012, CFM has a total workforce of ten (10) secretariat members comprising of two (2) managers, seven (7) executives and one (1) administrative assistant.

For 2013, CFM will be creating a new position of Director. The Director will be responsible for managing the overall affairs of the forum and maintaining and improving relations with all key stakeholders, among others.

It is hoped that the creation of this senior post will be able to launch and lead CFM in the right direction towards meeting CFM's organization objectives more effectively.

Professional Development Plan

In 2012, CFM focused on training and development that reflected our organizations priorities and give employees the skills they need to advance.

We are committed to continuous learning and development for our people. For the coming year, CFM will continue to invest in staff training and development with a focus on talent development.

CPRD COMMITTEE REPORT

The Communications and Public Relation Department (CPRD) is responsible for the overall engagement of the Forum, outreach activities and engagement with the regulator, communities, government agencies, consumer organisations and the telecommunications industry. The Communication and Public Relations Working Committee (CPRWC) is comprised of the Forum members both from consumer representation and industry who sits and work together to drive engagement activities for the Forum.

CPRD 2012 SCORECARD			
VISIBILITY	THE CONSUMER	CONTENT	MEMBERSHIP
<ul style="list-style-type: none"> • Increase visibility, credibility and awareness impact. • Increase audience reach and knowledge sophistication. 	<ul style="list-style-type: none"> • Research and develop on content, consumer issues knowledge, consumer behavior change. • Develop market sophistication strategies, engagement strategies for effective consumer education on media. 	<ul style="list-style-type: none"> • Focus content on consumer issues, expert views and knowledge sharing. • Strategise local content resourcing for social and consumer education. • Identification of issues is challenged by lack of tools to manage. 	<ul style="list-style-type: none"> • Increase members network for balanced view and improve membership communications.

Awareness in 2012

Our awareness activities in 2012 focused on creating visibility for the Forum to a broader mass consumer base. One such initiative recommended by the CPRWC, CFM's first Public Service Announcement (PSA), was aired on national television in conjunction with the Forum's 11th Anniversary campaign.

We participated in 38 outreach activities nationwide including exhibitions, workshops, talks and seminars. Three campaigns were executed in 2012, namely, the 11th Anniversary campaign, Redress Your Communications and Multimedia Complaints and Stop SMS Advertising. CFM also carried out a charity event through *Twitterjaya #Toys4Kidz* for a sharing session to give out toys for critically ill children at the Hospital Besar Kuala Lumpur. The circulation of our newsletter, SHOUT! Quarterly was increased, fully published and expanded onto 7 issues of eSHOUT, an online version of the SHOUT!

Some of our notable achievements for 2012 were:

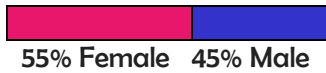
- The impact of our awareness activities generated an almost 6-fold increase in consumer traffic to our online channels from 12,755 in 2011 to 88,258 in 2012, the **highest in CFM's 11 year history**.
- In terms of membership, we had 8 new members joining the Forum in 2012 with a total of 40 registered members in 2012. *Please refer to Members list on page 31.*

We have also actively engaged the media by providing the relevant inputs to ensure that reported consumer issues are presented in an in-depth and fair manner, reflecting the complexity of the human and technology issues from both the industry and consumer perspectives.

To help with coordinating our various activities including events, membership, publications and public relations, three new executives joined CPRD in the last quarter of 2012. All in all, 2012 was a good year for CPRD in terms of lead generation and creating the momentum. Nonetheless, as a way forward, more attention should be focused on content development, media and member engagement as well as on targeted consumer behaviour change to effectively create a meaningful and sustainable impact.

CPRD AWARENESS SURVEY REPORT

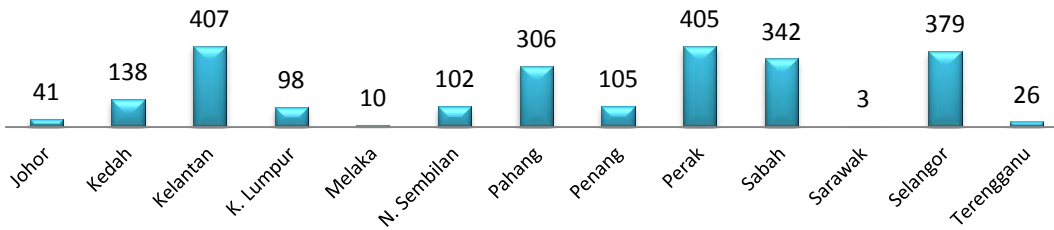
Gender



AGE

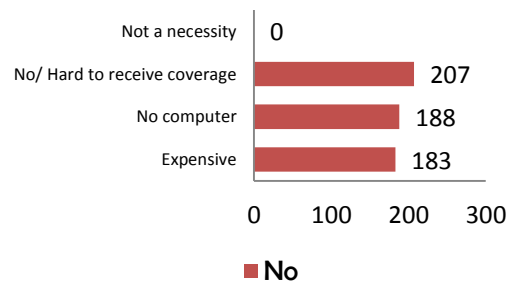
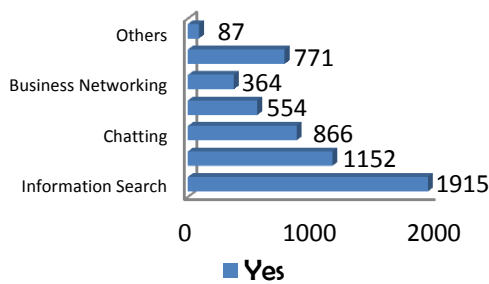


States

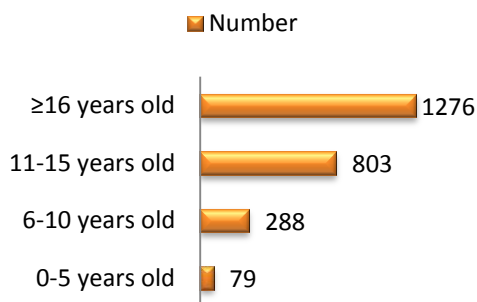


1. Are you currently subscribing any broadband services?

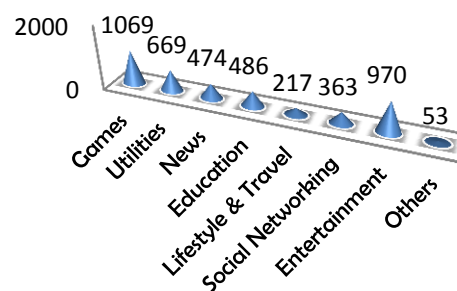
If yes, what do you mainly use the services for? If no, why not?



2. In your opinion, at what age should children be allowed to own mobile phones?



3. What type of applications do you download?



4. Your visit to CFM's booth has increased your knowledge in which area?



5. Have you ever lodged a complaint on communications or multimedia related services to any agency/ organization?



COUNCIL MEMBERS' REPORT (FOR THE YEAR ENDED 31 DECEMBER 2012)

COUNCIL MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The council members present their report and the audited financial statements of the Society for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The principal activity of the Society is to promote the national policy objectives for the communication and multimedia industry as enshrined in the Communications and Multimedia Act 1998. There has been no significant change in the nature of this activity during the year.

RESULTS	RM
Deficit of income over expenditure, after taxation	(190,345)
Accumulated funds brought forward	1,421,584
Accumulated funds carried forward	<u>1,231,239</u>

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Society were made out, the council members took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and are satisfied that there were no bad and doubtful debts.

At the date of this report, the council members are not aware of any circumstances that would render it necessary to write off bad debts or to provide for doubtful debts in the financial statements of the Society.

CURRENT ASSETS

Before the financial statements of the Society were made out, the council members took reasonable steps to ascertain whether any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Society and to the extent so ascertained were written down to an amount that they might be expected so to realise.

At the date of this report, the council members are not aware of any circumstances that would render the values attributed to current assets in the financial statements of the Society misleading.

COUNCIL MEMBERS' REPORT (FOR THE YEAR ENDED 31 DECEMBER 2012)**VALUATION METHODS**

At the date of this report, the council members are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities in the financial statements of the Society misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report there does not exist:-

- (i) any charge on the assets of the Society that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Society that has arisen since the end of the financial year.

No contingent liability or other liability of the Society has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the council members, will or may substantially affect the ability of the Society to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the council members are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Society, that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Society for the financial year were not, in the opinion of the council members substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the council members, to affect substantially the results of the operations of the Society for the financial year in which this report is made.

COUNCIL MEMBERS' REPORT (FOR THE YEAR ENDED 31 DECEMBER 2012)

COUNCIL MEMBERS

The Council Members who served since the date of the last report are:-

1. MAHFUZAH BINTI AZAHARI - Chairman
2. VACANT - Deputy Chairman (effective 11.04.2013, following NORMAZALILA BINTI ABU BAKAR @ HARUN, who served as Deputy Chairman from 12.07.2012 to 10.04.2013)
3. MEDIHA BINTI MAHMOOD - Treasurer
4. MANSOR BIN ATAN - Secretary (effective 05.02.2013, replacing AWANG KAMALUDIN BIN JUMAT, who served as Secretary from 17.10.2011 to 05.02.2013)
5. LAILI HANIM BINTI MAHMOOD - Councilor
ALEX LEE KOK HOONG - Alternate
6. JAMALUDIN BIN ABDULLAH - Councilor
ZAKIAH HANUM BINTI MOHAMED KASSIM - Alternate (effective 28.02.2013)
7. MOHD. MUSTAFFA BIN HAMZAH - Councilor
SHAMSURIYA ABDULLAH - Alternate (effective 05.09.2012)
8. DR. ELISTINA BINTI ABU BAKAR - Councilor (effective 14.09.2012, replacing
DR. DORIS PADMINI A/P SELVARATNAM)
DR. DORIS PADMINI A/P SELVARATNAM - Alternate (effective 14.09.2012)
9. ENSKU NORHAZIMAH BINTI ENSKU MOHAMAD - Councilor (effective 02.08.2012)
10. LOK YIM PHENG - Councilor
VANAJA A/P SENIVASAGAN - Alternate (effective 26.04.2012)
11. ROSLAN BIN ROSLI - Councilor
NOORDIWATI BINTI RAZALI - Alternate (effective 02.08.2012)
12. ABDUL RAHMAN BIN SAMAD - Councilor (effective 02.08.2012)
NORMAZALILA BINTI ABU BAKAR @ HARUN - Alternate (effective 11.04.2013)
13. RAVINDER SINGH A/L MALL SINGH - Councilor

COUNCIL MEMBERS' REPORT (FOR THE YEAR ENDED 31 DECEMBER 2012)**COUNCIL MEMBERS' BENEFITS**

Since the end of the previous financial year, no council member has received or become entitled to receive any benefit by reason of a contract made by the Society with the council member or with a firm of which the council member is a member, or with a company in which the council member has a substantial financial interest.

AUDITORS

The auditors, Messrs Shanker & Co., have indicated their willingness to continue in office.

On behalf of the Council Members



MAHFUZAH BINTI AZAHARI
(Chairman)



MEDIHA BINTI MAHMOOD
(Treasurer)

Kuala Lumpur

Dated: 01 July 2013

REPORT OF THE AUDITORS TO THE MEMBERS

FINANCIAL STATEMENTS - 31 DECEMBER 2012

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements of Forum Pengguna Komunikasi dan Multimedia Malaysia as set out on pages 6 to 16. These financial statements are the responsibility of the council members. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the council members, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- a) the financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Society as at 31 December 2012 and of the income and expenditure account and statement of receipts and payments of the Society for the year then ended; and
- b) the accounting and other records have been properly kept in accordance with the rules and regulations of the Society.



SHANKER & CO
AF: 1881
Chartered Accountants



JAYASHANKER S/O RAJAGOPAL
No: 2778/12/14 (J)
Partner

Dated : 01 July 2013

STATEMENT OF ASSETS AND LIABILITIES (AS AT 31 DECEMBER 2012)

		2012	2011
	Note	RM	RM
PROPERTY, PLANT AND EQUIPMENT	6	118,105	48,055
CURRENT ASSETS			
Other receivables, deposits and prepayments		31,717	16,674
Cash and bank balances		1,195,702	1,402,047
		<u>1,227,419</u>	<u>1,418,721</u>
Less :			
CURRENT LIABILITIES			
Sundry payables and accruals		114,285	45,056
Provision for taxation		-	136
		<u>114,285</u>	<u>45,192</u>
NET CURRENT ASSETS		1,113,134	1,373,529
		<u>1,231,239</u>	<u>1,421,584</u>
FINANCED BY :-			
ACCUMULATED FUNDS		1,421,584	891,956
(DEFICIT)/ SURPLUS ON INCOME - CURRENT YEAR		(190,345)	529,628
		<u>1,231,239</u>	<u>1,421,584</u>

The accompanying notes form an integral part of the financial statements.

STATEMENT OF INCOME AND EXPENDITURE (FOR THE YEAR ENDED 31 DECEMBER 2012)

	2012	2011
Note	RM	RM
INCOME		
Grant from Suruhanjaya Komunikasi dan Multimedia Malaysia	2,000,000	1,300,000
Annual subscription fees	40,640	49,610
Hibah received	307	8,723
	2,040,947	1,358,333
EXPENDITURE		
Accounting and secretarial fees	30,000	24,480
Advertisement and promotion expenses:-		
- Recruitments	3,117	6,782
- Communications and public relations:-		
- Web portal retainer services	74,566	2,500
- Broadcast and airtime charges	756,674	2,500
- Event and seminar expenses	191,132	85,208
- Others	218,856	67,540
Allowances:-		
- Councillors	13,980	8,098
- Staff	9,970	14,478
Auditors' remuneration	3,000	3,000
Bank charges	327	199
Cleaning service charges	3,000	3,000
Courier and postage charges	19,016	15,112
Depreciation of property, plant and equipment	31,731	20,474
EPF contributions	49,339	31,743
Festivity gathering expenses	10,195	6,702
Grant expenses	10,000	-
Insurance premiums	3,794	3,386
Medical expenses	1,614	2,617
Meeting expenses and office refreshments:-		
- AGM expenses	13,702	6,265
- CFM Retreat expenses	40,233	3,472
- Council meetings	4,422	2,398
Balance carried forward	1,488,668	309,954

STATEMENT OF INCOME AND EXPENDITURE (FOR THE YEAR ENDED 31 DECEMBER 2012)

	2012	2011
Note	RM	RM
Balance brought forward	1,488,668	309,954
Newsletters	69,130	9,100
Newspapers and periodicals	2,378	2,040
Penalties	288	666
Printing and stationery:-		
- Annual report expenses	61,586	21,968
- Communications and public relations	66,940	10,010
- General administration printing expenses	10,200	12,387
Professional fees	6,609	6,144
Registration and license fees	1,009	2,049
Rental of office equipment	5,520	6,202
Salaries, bonuses and ex gratia	385,768	283,240
Seminar expenses and staff training	22,423	3,490
Service tax charges	559	192
SOCSCO contributions	4,885	3,398
Staff welfare expenses	2,766	2,102
Telephone and fax charges:-		
- Toll free charges	23,567	2,037
- Fixed line and broadband charges	17,019	12,710
- Call saving charges	1,500	2,081
Travelling expenses		
- Staff petrol, parking and toll	10,173	16,443
- Staff travelling and accommodation	22,729	62,310
- Councillors petrol, parking and toll	145	1,686
- Councillors travelling and accommodation	10,597	52,227
Maintenance of office	16,833	6,133
	2,231,292	828,569
(DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE	(190,345)	529,764
LESS: TAXATION	7	(136)
(DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE AFTER TAXATION	(190,345)	529,628

The accompanying notes form an integral part of the financial statements.

STATEMENT OF RECEIPTS AND PAYMENTS (FOR THE YEAR ENDED 31 DECEMBER 2012)

	2012	2011
	RM	RM
RECEIPTS		
Grant from Suruhanjaya Komunikasi dan Mullimedia Malaysia	2,000,000	1,300,000
Annual subscription fees	40,640	49,610
Hibah received	307	8,723
	2,040,947	1,358,333
PAYMENTS		
Accounting and secretarial fees	25,000	21,480
Advance for event organizing	20,972	-
Advertisement and promotion expenses:-		
- Recruitments	3,117	6,782
- Communications and public relations:-		
- Web portal retainer services	70,300	2,500
- Broadcast and airtime charges	720,343	2,500
- Event and seminar expenses	187,445	85,208
- Others	192,392	101,642
Allowances:-		
- Councillors	11,100	7,758
- Staff	9,730	13,358
Auditors' remuneration	3,000	3,000
Bank charges	327	199
Cleaning service charges	3,000	3,000
Courier and postage charges	19,193	14,702
EPF contributions	53,769	29,432
Festivity gathering expenses	10,195	6,702
Grant expenses	10,000	-
Insurance premiums paid	5,567	3,340
Medical expenses	1,629	2,367
Meeting expenses and office refreshment:-		
- AGM expenses	13,702	6,265
- CFM Retreat expenses	40,233	3,472
- Council meetings	4,833	1,987
Balance carried forward	1,405,847	315,694

STATEMENT OF RECEIPTS AND PAYMENTS (FOR THE YEAR ENDED 31 DECEMBER 2012)

	2012	2011
	RM	RM
Balance brought forward	1,405,847	315,694
Newsletters	78,230	11,800
Newspapers and periodicals	2,365	1,894
Penalties	288	666
Printing and stationery:-		
- Annual report expenses	61,586	21,968
- Communications and public relations	62,250	9,890
- General administration printing expenses	6,180	11,272
Professional fees	5,209	6,144
Purchase of property, plant and equipment	101,781	5,140
Registration and license fees	1,509	1,549
Rental of office equipment	5,520	5,742
Staff advances	-	11,475
Salaries, bonuses and ex gratia	389,187	280,312
Seminar expenses and staff training	10,248	3,490
Service tax charges	559	192
SOCSSO contributions	4,885	3,398
Staff welfare expenses	2,767	2,102
Taxation paid	136	19
Telephone and fax charges:-		
- Toll free charges	21,458	2,037
- Fixed line and broadband charges	14,621	12,228
- Call saving charges	1,500	2,081
Travelling expenses	54,240	121,579
Maintenance of office	16,926	5,884
	<u>2,247,292</u>	<u>836,556</u>

STATEMENT OF RECEIPTS AND PAYMENTS (FOR THE YEAR ENDED 31 DECEMBER 2012)

	2012	2011
	RM	RM
(Deficit)/surplus of receipts over payments	(206,345)	521,777
Cash and bank balances brought forward	1,402,047	880,270
Cash and bank balances carried forward	<u>1,195,702</u>	<u>1,402,047</u>
Note :		
Cash and cash equivalents		
Cash at bank	1,193,368	1,400,413
Cash in hand	2,334	1,634
	<u>1,195,702</u>	<u>1,402,047</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (31 DECEMBER 2012)**1. GENERAL INFORMATION**

The Society is registered under the Societies Act, 1966.

The Society's principal place of activity is at 6-02, 6th Floor, Straits Trading Building, No. 2 Lebuhr Pasar Besar, 50050 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society's financial risk management policy seeks to ensure that adequate financial resources are available for the operation of the Society whilst managing its interest rate, foreign currency, liquidity and credit risks which are in the normal course of the Society's business.

The Society's overall strategies, tolerance of risks and general management philosophy are determined by the management and it operates within clearly defined guidelines that are approved by the Council in accordance with prevailing economic and operating conditions.

2.1 Foreign Currency Risk

The Society does not have any significant exposure to foreign currency risk as its transactions and balances are substantially denominated in Ringgit Malaysia.

The Society does not engage in derivative financial instruments.

2.2 Liquidity Risk

The liquidity risk of the Society is minimal as it maintains adequate working capital to meet its obligations as and when they fall due.

2.3 Interest Rate Risk

The interest rate risk of the Society is minimal as it does not have any interest bearing liabilities and maintains limited cash balance.

2.4 Credit Risk

The Society has no significant concentration of credit risk.

NOTES TO THE FINANCIAL STATEMENTS (31 DECEMBER 2012)

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Society have been approved by the council members for issuance on 01 July 2013.

The financial statements of the Society have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Societies Act, 1966. This requires the council members to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Accounting Convention

The financial statements of the Society have been prepared under the historical cost convention and other measurement basis otherwise indicated in the respective accounting policies as set out below.

4.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated to write off the cost of the property, plant and equipment on a straight line basis over the estimated useful lives of the assets concerned. The principal annual rates used for this purpose are as follows :-

	%
Furniture and fittings	10
Office equipment	10
Computer and software	20
Signage	10
Website	20

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

4.3 Income Recognition

Income of the Society is recognised on the following basis :-

- a) Grant from Suruhanjaya Komunikasi dan Multimedia Malaysia is recognised on a receipts basis.
- b) Membership subscriptions are recognised on a receipts basis.
- c) Interest income is recognised on a receipts basis.

NOTES TO THE FINANCIAL STATEMENTS (31 DECEMBER 2012)**4.4 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and bank balances and highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

4.5 Impairment of Assets

The carrying amounts of the Society's assets other than financial assets are reviewed for impairment where there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts and the impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset.

The impairment loss is charged to the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statement. Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the assets that would have been determined had no impairment loss been recognised. The reversal is recognised in the income statement immediately except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

4.6 Provision for Liabilities

Provision for liabilities are recognised when the Society has present obligations as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

4.7 Financial Instruments**4.7.1 Financial instruments recognised on the balance sheet**

Financial instruments are recognised in the balance sheet when the Society has become a party to the contractual provisions of the instrument.

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

4.7.2 Disclosure of fair values

The Society's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged, or a liability settled, between willing parties in an arm's length transaction.

NOTES TO THE FINANCIAL STATEMENTS (31 DECEMBER 2012)

Methodologies

The methodologies and assumptions used in ascertaining fair values depend on the terms and risk characteristics of the instruments and are briefly set out below.

Financial assets and liabilities

The fair values of financial assets and liabilities maturing within 12 months are stated at approximate their carrying values as at the balance sheet date.

5. PRINCIPAL ACTIVITY

The principal activity of the Society is to promote the national policy objectives for the Communication and Multimedia industry as enshrined in the Communications and Multimedia Act 1998.

6. PROPERTY, PLANT AND EQUIPMENT

	Balance as at 1.1.12	Additions	Balance as at 31.12.12
Cost	RM	RM	RM
Furniture and fittings	11,008	-	11,008
Office equipment	33,572	380	33,952
Computer and software	62,369	101,401	163,770
Signage	2,748	-	2,748
Website	19,500	-	19,500
	-----	-----	-----
	129,197	101,781	230,978
	=====	=====	=====
Accumulated Depreciation	RM	Charge for the year	Balance as at 31.12.12
Furniture and fittings	3,322	1,101	4,423
Office equipment	17,863	3,386	21,249
Computer and software	39,210	25,745	64,955
Signage	2,747	-	2,747
Website	18,000	1,499	19,499
	-----	-----	-----
	81,142	31,731	112,873
	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (31 DECEMBER 2012)

	Net Book Value		Depreciation Charge	
	2012	2011	2012	2011
	RM	RM	RM	RM
Furniture and fittings	6,585	7,686	1,101	1,101
Office equipment	12,703	15,709	3,386	3,357
Computer and software	98,815	23,159	25,745	11,842
Signage	1	1	-	274
Website	1	1,500	1,499	3,900
	<u>118,105</u>	<u>48,055</u>	<u>31,731</u>	<u>20,474</u>

7. TAXATION

a) Income that is exempt from income tax are as follows :-

- i) Grant from Suruhanjaya Komunikasi dan Multimedia Malaysia is exempted from income tax based on the Income Tax Order (Exemption) (No 22) 2006.
- ii) Statutory income derived from members' subscriptions are exempted from the payment of income tax based on the Income tax (Exemption) (No.19) Order 2005.

b) Hibah income received from funds deposited with financial institutions are subject to income tax as follows:-

	2012	2011
	RM	RM
First 5,000	-	25
Next 3,723	-	111
Total income tax	<u>-</u>	<u>136</u>

8. FINANCIAL INSTRUMENTS

Credit Risk

As at 31 December 2012, the Society has no significant concentration of credit risk and places its cash with creditworthy financial institutions.

COUNCILLORS' DECLARATION

FORUM PENGGUNA KOMUNIKASI DAN MULTIMEDIA MALAYSIA
(Incorporated in Malaysia)

FINANCIAL STATEMENTS - 31 DECEMBER 2012

STATEMENT BY COUNCIL MEMBERS

We, MAHFUZAH BINTI AZAHARI and MEDIHA BINTI MAHMOOD, being two of the council members of FORUM PENGGUNA KOMUNIKASI DAN MULTIMEDIA MALAYSIA, do hereby state on behalf of the council members that, in our opinion the financial statements set out on pages 6 to 16 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Society as at 31ST DECEMBER 2012 and of the income and expenditure account and statement of receipts and payments of the Society for the year ended on that date.

Signed at Kuala Lumpur this 01 July 2013

On behalf of the Council

MAHFUZAH BINTI AZAHARI
(Chairman)

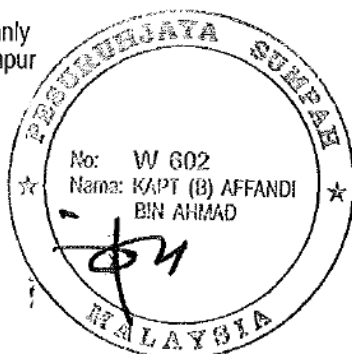
MEDIHA BINTI MAHMOOD
(Treasurer)

STATUTORY DECLARATION

I, MEDIHA BINTI MAHMOOD, being the council member primarily responsible for the accounting records and financial management of FORUM PENGGUNA KOMUNIKASI DAN MULTIMEDIA MALAYSIA, do solemnly and sincerely declare that the financial statements set out on pages 6 to 16 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared at Kuala Lumpur
this 01 July 2013

Before me,



No. 86, Tingkat Bawah
Jalan Putra
50350 Kuala Lumpur

MEDIHA BINTI MAHMOOD
(Treasurer)

MEMBERS OF THE ORGANISATION

OUR 41 MEMBERS (as at end 2012)

ORGANISATION	CATEGORY	DATE JOINED
TELECOMMUNICATIONS		
Celcom Axiata Berhad	OMSS	18th Aug 2004
DiGi Telecommunications Sdn Bhd (Digi)	OMSS	9th March 2001
JARING Communications Sdn Bhd	OMSS	2th April 2002
Malaysian Mobile Content Providers Association (MMCP)	OMSS	10th April 2008
Maxis Broadband Sdn Bhd	OMSS	7th March 2001
Maxis Mobile Services Sdn Bhd	OMSS	7th March 2001
Packet One Networks (Malaysia) Sdn Bhd	OMSS	24th July 2007
Pernec Paypoint Sdn Bhd	OMSS	1st Dec 2009
Telekom Malaysia Berhad (TM)	OMSS	11th March 2002
TM Net Sdn Bhd	OMSS	23rd Oct 2002
TT DotCom Sdn Bhd	OMSS	7th March 2001
Tunetalk Sdn Bhd	OMSS	15th April 2010
U Mobile Sdn Bhd	OMSS	21st Dec 2009
YTL Communications Sdn Bhd	OMSS	1st March 2011
BROADCASTING		
Astro Radio Sdn Bhd	OMSS	8th March 2001
Asian Broadcasting Network (ABN)	OMSS	6th March 2012
Measat Broadcast Network Systems Sdn Bhd (ASTRO)	OMSS	30th Dec 2003
Sistem Televisyen (M) Bhd (TV3)	OMSS	2nd March 2001
CONSUMER ASSOCIATIONS		
Consumer Association of Miri (CAM)	OMDS	13th July 2004
Malaysian Consumer Association (MACONAS)	OMDS	21st March 2012
National Council Women's Organization Malaysia (NCWO)	OMDS	3rd March 2001
Persatuan Kebajikan Pengguna Johor (JCWA)	OMDS	2nd March 2010
Persatuan Pelindung Keselamatan Pengguna Kuala Lumpur (PKP)	OMDS	20th Sept 2012
Persatuan Pelindung Pengguna Kelantan (PELINDUNG)	OMDS	21st March 2012
Persatuan Pelindung Pengguna Pulau Pinang (PCPA)	OMDS	20th Sept 2012
Persatuan Pengguna Daerah Kuala Terengganu (PPDKT)	OMDS	25th Febr 2010
Persatuan Pengguna Islam Malaysia (PPIM)	OMDS	30th June 2004
Persatuan Pengguna Kedah (CAKE)	OMDS	24th Feb 2010
Persatuan Pengguna Melaka Tengah (PPMT)	OMDS	1st March 2010
Persatuan Pengguna Negeri Sembilan (NESCA)	OMDS	31st Aug 2006
Persatuan Pengguna Pulau Pinang (CAP)	OMDS	2nd March 2001
Pertubuhan Pembimbing Kewangan Pengguna & Keluarga Malaysia (KPM)	OMDS	21st March 2012
Persatuan Pemilik-Pemilik Telefon Bimbit Malaysia (PERBIT)	OMDS	6 TH March 2012
EDUCATION		
Multimedia University (MMU)	OMDS	9th March 2001
Universiti Kebangsaan Malaysia (UKM)	OMDS	21st March 2012
Universiti Sains Islam Malaysia (USIM)	OMDS	20th Sept 2012
Southeast Asian Ministers of Education Organisation Regional Centre for Education in Science and Mathematics (SEAMEO RECSAM)	OMDS	28 th April 2005 (till June 2012)
ASSOCIATE MEMBERS		
Raja Darryl and Goh	AM	8th Feb 2010
Abdul Manaf bin Bohari	AM	21st April 2010
OTHERS		
Kesatuan Perkhidmatan Perguruan Kebangsaan (NUTP)	OMDS	9th March 2001
Persatuan Ekonomi Pengguna & Keluarga Malaysia (MACFEA)	OMDS	14th Nov 2007

CFM

Communications and Multimedia
Consumer Forum of Malaysia



Communications & Multimedia Consumer Forum of Malaysia
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