

2020/21

Annual Report of

Occupational Deafness Compensation Board

<u>Contents</u>	<u>Page</u>
Chairman's Foreword.....	1
Profile and Membership of the Occupational Deafness Compensation Board.....	4
Profile and Membership of the Occupational Deafness Medical Committee	6
Application and Determination for the Occupational Deafness Compensation Scheme.....	7
Financial Assistance Scheme for Hearing Assistive Devices.....	14
Report on Education and Publicity.....	15
Report on Rehabilitation Services and Programmes.....	19
Independent Auditor's Report	25
Financial Statements.....	28

Appendices

1. Requirements and Compensation Calculation Methods under the Occupational Deafness Compensation Scheme	50
2. Type of Noisy Occupations Engaged (Compensation for the First Time) for the Most Recent 3 Years.....	55
3. Type of Noisy Occupations Engaged (Further Compensation) for the Most Recent 3 Years.....	56
4. Analysis of Approved Cases of First-time Compensation by Level of Hearing Loss (Year 2020/21)	57
5. Analysis of Approved Cases of Further Compensation by Level of Hearing Loss (Year 2020/21)	58
6. Applications versus Approved Cases of Occupational Deafness Compensation for the Most Recent 3 Years.....	59

CHAIRMAN'S FOREWORD



Faced with the 2019 coronavirus epidemic that raged across the world, 2020/21 was the most challenging year for the Occupational Deafness Compensation Board (the Board) in its silver jubilee milestone. As restricted by the stepped-up epidemic prevention requirements, the number of large-scale publicity projects and rehabilitation activities was lower than that in previous years. Following the epidemic development and the Government's anti-epidemic measures to reduce the risk of the spread of infectious diseases in the community, the medical examinations and hearing tests for applicants for occupational deafness (OD) compensation provided by the Ear, Nose & Throat (ENT) specialist clinic and the hearing clinic collaborating with the Board had been suspended from February 2020 to January 2021. As such, the processing of most of the compensation applications was delayed. On behalf of the Board, I would like to convey our apologies to applicants who underwent a longer waiting time as a result of the foregoing epidemic prevention measures. Your understanding of the delayed determination was much appreciated.

As the statutory board promoting hearing conservation, processing of OD compensation applications, as well as providing related rehabilitation programmes for OD persons in Hong Kong, we always adhere to our professionalism and commitment to providing apposite services to those in need. In the fight against the virus together with a vision of serving our society, the Board is strictly poised for providing assistance to workers and striving to raise the general public's awareness of hearing protection.

For the year under review, the Board received a total of 430 applications for compensation, including 345 cases of first-time and 84 cases of further application, as well as one previously refused application for which the applicant was suffering from monaural hearing loss only. Given that the ENT specialist clinic and the hearing clinic that provided medical examinations and hearing tests for applicants suspended their services most of the time in the year, only 68 applications that met the hearing loss requirement were determined after completing the hearing and medical tests successfully. During the same period, a total compensation amount of about HK\$7.05 million was approved for 55 first-time and 12 further applications for compensation, as well as one previously refused application for which the applicant was suffering from monaural hearing loss only. Under the circumstances that the epidemic was mitigated and when the control measures effectively prevented the outbreak of infectious diseases in the community, the Board made every effort to increase the medical examination and hearing test services provided in relevant clinics starting from early 2021. We strived to complete the processing of pending applications as soon as possible.

Concerning the publicity and educational programmes provided to workers engaged in noisy occupations, although the epidemic hindered the Board staff from visiting worksites in person to conduct safety talks for relevant employees, we coordinated with their safety officers to give away hearing conservation kits and propagate the compensation scheme. Riding on their in-house occupational safety training, we encouraged them to download the OD educational video clips reminding workers of the importance of hearing protection. Given that the administrators and employees of noisy workplaces still eagerly hoped that the Board could provide them with mobile audiometric screening services for their understanding of individual hearing health, in the year we arranged 9 sessions of mobile audiometric bus service to

various noisy worksites to conduct preliminary and free auditory screening assessments for workers when the circumstances were in compliance with the anti-epidemic requirements.

Regarding the “Financial Assistance Scheme for Hearing Assistive Devices (HAD)”, its goal is to provide suitable HAD to OD persons in need and help them overcome hearing impairment and regain confidence in their daily work and social life. In the year, we received 664 applications for financing their expenses incurred in purchasing, repairing and replacing HAD, of which 56 were submitted for the first time. During the same period, the Board approved 670 applications with a total subsidy of approximately HK\$3.83 million paid. Facing the epidemic, the Board’s audiologist introduced a series of video briefings about "Financial Assistance Scheme for HAD: Application Guidelines", "Hearing Aid Fitting and Follow-up Procedures" and "Hearing Aid and Tinnitus Masker Trial Scheme" so that she could make use of the online platform to guide OD persons making the most of their rights of the Financial Assistance Scheme to enhance their communication skills amid the epidemic.

Since the persistent epidemic has changed our daily lives, the Board needs to review the way to serve our OD members under the new normality. With a view to continuing the provision of social rehabilitation service to OD persons amid the epidemic, aside from arranging face-to-face activities in small groups to comply with the anti-epidemic measures, our service partners also endeavoured to organise various types of activities online. The volunteer team under the "Occupational Deafness Rehabilitation Network" (ODRN) also shared their special moments of life amid the epidemic with other fellow members by filming short videos, encouraging others to proactively face the changing environment under the new normality. They were encouraged to use electronic platforms to participate in online activities, and also make use of video chat tools to express mutual care to one another.

For the year under review, the Board organised 667 social rehabilitation programmes for OD persons. In the year, about 9 717 participations were recorded including OD persons and their accompanying caregivers. As some outdoor activities were forced to be cancelled due to the epidemic, during the period we arranged more caring services amounting to 8 127 greeting calls and 383 caring visits, in the hope of contacting and helping those in need promptly. In the year, ODRN had arranged 9 sessions of volunteer and caring ambassador services. The Board also posted some anti-epidemic masks and handy gadgets to OD members as a gesture of our care for tiding over the difficulties with all.

In the domain of finance, in 2020/21 the Board received a total revenue of approximately HK\$60.58 million, which was approximately HK\$2.94 million less than last year’s HK\$63.52 million. However, due to a part of estimated payouts for the OD compensation and HAD Financial Assistance Scheme during the period were delayed as affected by the epidemic, the total expenditure for the year only reached approximately HK\$32.97 million, thus the Board recorded a surplus of approximately HK\$27.61 million for the year. As always, the future of the Board remains challenging. We shall continue to manage our finances prudently and ensure that resources are used appropriately through suitable work plans to ensure the long-term financial stability of the Board. Looking forward to the future, in pursuit of better returns aiming at providing even better services to our stakeholders, the Financial Services and the Treasury Bureau had approved the investment proposal submitted by the Board so that we could proceed with our new investment plan prudently at the right time. Accordingly, the "Finance and Investment Committee" was established to review the current financial situation of the Board and formulate a sustainable medium-to-long-term investment strategy, hoping to achieve our goal of “Exploring Revenues and Reducing Expenses” more efficiently.

In retrospect, even encountering various challenges, the Board has exerted its spirit of sparing no effort in pursuing excellence with the unyielding support of all parties. 2020/21 is the final year of my chairmanship of the Board, and I am very honoured to have served as its Chairman. Taking this opportunity, I would like to express my deepest gratitude to my fellow members of the Board and its Medical Committee, as well as all staff members for showing their excellence, professionalism, and conscientiousness in this difficult year. Last but not least, I would also wish to extend my heartfelt appreciation to all our collaboration partners of the Labour Department, Hospital Authority, various occupational safety and health organisations as well as rehabilitation service suppliers. With your strong and concerted support, we join hands to pass on the vision of “Cherishing Our Hearing, Avoiding Occupational Deafness”.



管理局眾成員一直恪守專業，堅守為有需要人士提供適切服務的承諾。
ODCB members adhere to our professionalism and commitment to providing
apposite services to those in need at all times.

Dr. LUK Wai-sing, Albert
Chairman
Occupational Deafness Compensation Board

PROFILE OF THE OCCUPATIONAL DEAFNESS COMPENSATION BOARD

The Board was established on 1 June 1995 under the Occupational Deafness (Compensation) Ordinance (the Ordinance) (Cap.469). It is responsible for carrying out the following functions under the Ordinance:

- (1) to manage the Occupational Deafness Compensation Fund in accordance with the law;
- (2) to process and determine applications for OD compensation;
- (3) to process and determine applications for reimbursement or direct payment of expenses for HAD;
- (4) to conduct or finance educational and publicity programmes for the purpose of preventing noise-induced deafness by reason of employment; and
- (5) to conduct or finance rehabilitation programmes for persons suffering from noise-induced deafness by reason of employment.

The Board consists of nine members, who are appointed by the Chief Executive of the Hong Kong Special Administrative Region, including representatives of employers, employees, medical professionals and public officers. It meets regularly to set directions on the programmes of activities to be carried out and to determine applications made under the Ordinance.

MEMBERSHIP OF THE OCCUPATIONAL DEAFNESS COMPENSATION BOARD (ODCB) (2020.4.1–2021.3.31)



Dr LUK Wai-sing, Albert
ODCB Chairman
(ENT medical practitioner)



Mrs NGAN NG Yu-ying,
Katherine, MH, JP
Representing employers



Mr NG San-wa,
Lawrence, MH
Representing employers



Mr WONG Ping
Representing employees



Ms LIU Po-chu, Elsie
Representing employees



Dr FOK Pui-chu, Joan
Medical practitioner of the
Hospital Authority



Dr HO Nga-yi, Fiona
ENT medical practitioner



Dr WAN Yuen-kong
Occupational Health Consultant
Labour Department



Ms WONG Lai-heung, Christina
Senior Labour Officer
Labour Department



Ms NG Wai-ying, Erica
ODCB Executive Director
(Secretary)

PROFILE OF THE OCCUPATIONAL DEAFNESS MEDICAL COMMITTEE

The Occupational Deafness Medical Committee (the Medical Committee) is another statutory body established under the Ordinance. Its function is to advise the Board on the technical, medical and professional aspects of hearing assessment and provision of HAD to OD persons. The Medical Committee comprises five members who are specialists of the medical profession or expert in the field of audiology.

MEMBERSHIP OF THE OCCUPATIONAL DEAFNESS MEDICAL COMMITTEE (2020.4.1–2021.3.31)



Dr HO Wai-kuen
Nominated by
Hospital Authority
(Up to 2021.1.13)



Dr WONG Wai-yeung, Eddy
Nominated by
Hospital Authority
(From 2021.2.8)



Dr WAN Yuen-kong
Nominated by
Department of Health



Dr NGAI Chi-man
Nominated by
Hong Kong College of
Otorhinolaryngologists
Hong Kong Academy of Medicine



Dr LO Tsun-yan
Nominated by
Hong Kong College of
Community Medicine
Hong Kong Academy of Medicine



Dr KAM Chi-shan, Anna
Nominated by
Hong Kong Society of
Audiology



Mr CHAN Ying-wai, Alfred
ODCB Director of Operations
(Secretary)

APPLICATION AND DETERMINATION FOR THE OCCUPATIONAL DEAFNESS COMPENSATION SCHEME

In Hong Kong, OD is one of the most common occupational diseases caused by prolonged exposure to a high level of noise at work, resulting in the damage of the nerve cells of the inner ear. Once damaged or destroyed, these nerve cells will not recover. The resulting hearing impairment will be permanent and cannot be cured. The Occupational Deafness Compensation Scheme provides for the payment of compensation to those employees who suffer from noise-induced hearing loss due to employment in specified noisy occupations. Applicants have to fulfil both the occupational and hearing loss requirements as stipulated by the Ordinance in order to be entitled to receiving compensation. Requirements and calculation methods for the Occupational Deafness Compensation Scheme are given in Appendix 1.

Due to the global spread of the 2019 coronavirus and the need to work in line with the Government's anti-epidemic measures to reduce the risk of the spread of infectious diseases in the community, the medical examinations and hearing tests for applicants for OD compensation provided by the ENT specialist clinic and the hearing clinic had been suspended from February 2020 to 8 January 2021. The services have been fully resumed thereafter. During the suspension period, the Board spared no effort in pursuing the early resumption of the hearing test services. In parallel, the Board maintained liaison with the applicants to keep them posted of the development of their compensation applications.

Applications Received

For the year under review, the Board received a total of 430 applications for compensation, including 345 cases of first-time (Figure 1) and 84 cases of further application (Figure 2), as well as one previously refused application for which the applicant was suffering from monaural hearing loss only. Given the clinics providing medical examinations and hearing tests for applicants had suspended their services most of the time in the year, only 68 applications that met the hearing loss requirement were determined after completing the hearing and medical tests successfully. During the same period, a total compensation amount of about HK\$7.05 million was approved for 55 first-time and 12 further applications for compensation, as well as one previously refused application for which the applicant was suffering from monaural hearing loss only. Under the circumstances that the epidemic was mitigated and when the control measures effectively prevented the outbreak of infectious diseases in the community, the Board made every effort to increase the medical examination and hearing test services provided in relevant clinics starting from early 2021. We strived to complete the processing of pending applications as soon as possible.

Figure 1: Profile of Applicants by Age and Gender (First-time Compensation)

Age	Applicants (Male)	Applicants (Female)	Total Number of Applicants	Percentage
Under 40	12	0	12	3.48%
40 to under 56	84	1	85	24.64%
56 or above	246	2	248	71.88%
Total:	342	3	345	

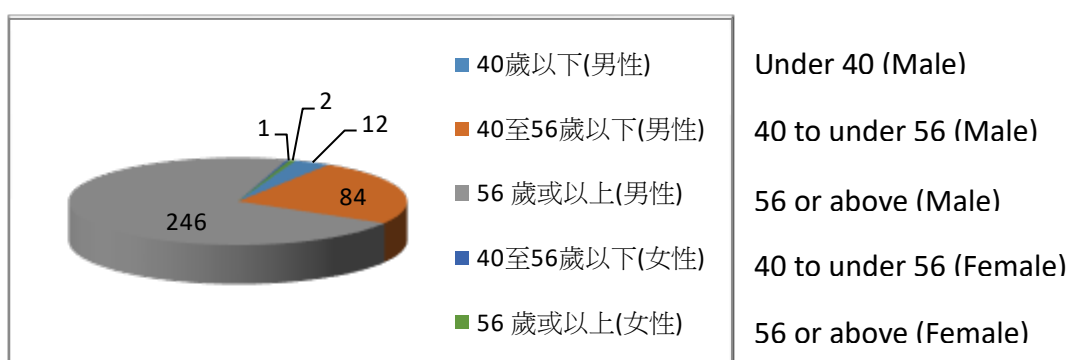


Figure 2: Profile of Applicants by Age and Gender (Further Compensation)

Age	Applicants (Male)	Applicants (Female)	Total Number of Applicants	Percentage
Under 40	0	0	0	0%
40 to under 56	10	0	10	11.9%
56 or above	74	0	74	88.1%
Total:	84	0	84	



For the year under review, the Board received 345 applications for OD compensation for the first time. The majority of the applicants were engaged in the use of power-driven grinding, chiselling, cutting or percussive tools on rocks, concrete or marble, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used (51.3%). The next largest group involved those who worked near internal combustion engines or turbines or pressurised fuel burners or jet engines (25.2%), followed by those engaged in the use of power-driven grinding tools on metal or on billets of metal or blooms, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used (10.7%). A set of the occupational profiles of the applicants who applied for first-time OD compensation is given in Appendix 2.

In the year, the Board received 84 applications for further compensation. The majority of the applicants were engaged in the use of power-driven grinding, chiselling, cutting or percussive tools on rocks, concrete or marble, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used (35.7%), as well as those who worked near internal combustion engines or turbines or pressurised fuel burners or jet engines (35.7%), followed by those engaged in the use of power-driven grinding tools on metal or on billets of metal or blooms, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used (19%). A set of the occupational profiles of the applicants who applied for further OD compensation is given in Appendix 3.



使用機動工具研磨、開鑿、切割或衝擊石塊
The use of power-driven grinding, chiselling, cutting or percussive tools on rocks



在內燃機、渦輪機、加壓燃料爐頭或噴射引擎的附近工作
Working near internal combustion engines, turbines, pressurised fuel burners or jet engines



對金屬、金屬坯段或鋼錠使用機動研磨工具
The use of power-driven grinding tools on metal, billets of metal or blooms

Applications Processed

For the year under review, the Board approved 68 applications with a total compensation amount of HK\$7,049,877¹. A breakdown of the applications approved by their respective types is as follows:

	<u>Number of Approved Applications</u>	<u>Amount of Compensation Paid (HK\$)</u>
• Compensation for the first time	55	5,934,430.69
• Further compensation	12	1,103,362.02
• Compensation for cases that were previously refused owing to monaural hearing loss	1	12,083.88
Total:	68	7,049,876.59

Regarding these 55 applicants who successfully received compensation for the first time, more than half (63.6%) suffered a hearing loss of less than 50dB in the better ear (Figure 3). The majority (89.1%) of them suffered from a permanent incapacity of not greater than 20%. The average amount of compensation awarded was HK\$107,899 (Figure 4).

On the other hand, for the 12 applicants who successfully received further compensation, a majority (66.7%) of them suffered a hearing loss of less than 60dB in the better ear (Figure 5). A large majority (91.7%) of them suffered from an additional percentage of permanent incapacity ranged from 0.5% to 20.5%. The average amount of further compensation paid was HK\$91,947 (Figure 6). Two sets of analysis of approved cases of first-time and further compensation by the level of hearing loss are in Appendix 4 and Appendix 5 respectively.

A table showing applications versus approved cases of OD compensation for the most recent 3 years is in Appendix 6.

¹ In 2020/21, the Board approved 68 applications at a total compensation amount of HK\$7,049,877. Nevertheless, the Board had processed two review cases for which adjustments were made in the year. Accordingly, the actual compensation payout as shown in the Income and Expenditure Account for the year is HK\$6,996,407.

Figure 3: Approved Cases by Level of Hearing Loss (Compensation for the First Time)

Hearing Level (dB)	Better Ear	Worse Ear
<40	19	N.A.
40 – 49	16	23
50 – 59	13	15
60 – 69	6	11
70 – 79	1	3
80 – 89	0	2
90 or above	0	1
Total:	55	55

Figure 4: Approved Cases by Compensation Payment (Compensation for the First Time)

Percentage of Incapacity	No. of Cases	Total Payment (HK\$)
0.5%	8	70,111
1%-4.5%	22	615,691
5%-10%	6	544,462
11%-20%	13	2,562,989
21%-30%	5	1,509,624
31%-40%	1	631,554
41%-50%	0	0
51%-60%	0	0
Total:	55	5,934,431
Average Compensation Paid:		107,899

Figure 5: Approved Cases by Level of Hearing Loss (Further Compensation)

Hearing Level (dB)	Better Ear	Worse Ear
<40	1	N.A.
40 – 49	4	1
50 – 59	3	2
60 – 69	2	5
70 – 79	1	3
80 – 89	0	0
90 or above	1	1
Total:	12	12

Figure 6: Approved Cases by Compensation Payment (Further Compensation)

Additional Percentage of Incapacity	No. of Cases	Total Payment (HK\$)
0.5%	0	N.A.
1%-4.5%	5	101,285
5%-10.5%	3	202,572
11%-20.5%	3	505,745
21%-30.5%	0	N.A.
31%-40.5%	1	293,760
41%-50.5%	0	N.A.
51%-59.5%	0	N.A.
Total:	12	1,103,362
Average Compensation Paid:		91,947

Regarding the 76 applications for compensation for the first time being refused during the year under review, 54 applications (71.1%) were due to failure to meet the hearing loss requirements whereas 22 applications (28.9%) failed to meet the occupational requirements. On the other hand, 22 applicants had withdrawn the applications by themselves.

Concerning the 21 applications for further compensation being refused, 19 of them (90.4%) could not meet the hearing loss requirements, one application (4.8%) failed to meet the occupational requirements whilst another one application (4.8%) failed to attend the hearing assessment. On the other hand, 4 applicants had withdrawn the applications by themselves (Figure 7).

Figure 7: Breakdown of Applications Processed in the Year 2020/21

	No. of Cases (Compensation for the First Time)	No. of Cases (Further Compensation)	No. of Cases (Compensation for cases previously refused owing to monaural hearing loss)
Compensation payment approved	55	12	1
Failed to meet hearing loss requirements	54	19	0
Failed to meet occupational requirements	22	1	0
Failed to attend hearing assessment	0	1	0
Withdrawn	22	4	0

FINANCIAL ASSISTANCE SCHEME FOR HEARING ASSISTIVE DEVICES



Any person who is entitled to compensation under the Ordinance may also apply for the reasonable expenses incurred in the acquisition, fitting, repair or maintenance of HAD in connection with his/her noise-induced deafness subject to the Medical Committee's determination. For the first-time application relating to the acquisition and fitting of HAD, the claimed amount is subject to a maximum of HK\$19,000 for each eligible person. The aggregate amount of financial assistance given to each eligible person under the scheme shall not exceed HK\$79,000.

In 2020/21, the Board received 664 new applications for financing HAD including 56 first-time submissions. In the year, the Board approved 670 applications with a total financing amount of approximately HK\$3.83 million paid. Acquisition of hearing aids was the major claim which amounted to 87.7% of the total expenses of the scheme.

With effect from 15 April 2021, the financing amount for first-time applications for HAD under the Scheme has been raised to HK\$20,160 from HK\$19,000, while the aggregate financing limit has been raised to HK\$ 83,830 from HK\$79,000.

Facing the epidemic, the Board's audiologist introduced a series of video briefings about "Financial Assistance Scheme for HAD: Application Guidelines", "Hearing Aid Fitting and Follow-up Procedures" and "Hearing Aid and Tinnitus Masker Trial Scheme" so that she could make use of the online platform to guide OD persons making the most of their rights of the Financial Assistance Scheme to enhance their communication skills amid the epidemic.

Under the Ordinance, HAD shall include:

- (1) hearing aid;
- (2) telephone amplifier specially designed for use by persons with hearing difficulty;
- (3) desktop telephone with flashing light or other visual device to indicate ringing;
- (4) any device the use of which by a person suffering from noise-induced deafness is determined by the Board, upon the advice of the Medical Committee, to be reasonably necessary in connection with such deafness; or
- (5) any accessories or parts of the above HAD.



REPORT ON EDUCATION AND PUBLICITY

OD is a permanent sensorineural hearing loss that cannot be cured. As such, the Board has been sparing no effort in conducting a variety of educational and promotional activities to explain to the general public and workers engaged in noisy occupations the importance of avoiding hearing loss.

Joint Functions on Occupational Safety & Health

In 2020/21 the Board continued to participate in several other major annual campaigns, including **The Hearing Conservation Best Practices Award** co-organised with the Occupational Safety and Health Council which aimed at giving recognition to organisations that had made significant efforts to implement effective measures to protect the hearing of workers. We also continued to jointly organise with the Labour Department and other prominent occupational safety promotion organisations **The Construction Industry Safety Promotional Campaign 2020/2021**, **The Catering Industry Safety Inspiration Programme 2020/2021** and **The Construction Safety Promotional Campaign 2020**. Affected by the epidemic, most of the activities were held online to avoid the risk of the pandemic spreading in the community.





管理局主席陸偉成醫生(左一) 及其他主禮嘉賓參與第 16 屆職業健康大獎頒獎典禮。
 ODCB Chairman Dr Albert Luk (1st from left) and other officiating guests at the 16th Occupational Health Award Ceremony.



管理局主席陸偉成醫生(中)頒發獎座予聽覺保護大獎的得獎者。
 ODCB Chairman Dr Albert Luk (middle) presents trophies to winners of the Hearing Conservation Best Practices Award

Workplace Safety Talks and Roving Exhibitions

During the year, although the Board's staff members were not able to visit the noisy worksites to conduct safety talks for relevant employees due to the epidemic, we still distributed through the safety officers hearing conservation kits and the compensation scheme leaflets to relevant workers as well as encouraging their safety officers to download the OD educational videos so that they could remind their workers of the importance of hearing protection via their internal occupational safety training.



To keep reaching out to the public community and workers engaged in noisy occupations, the Board arranged a few exhibitions in Tsing Yi, Yau Tong, Tin Shui Wai and Sha Tin according to the epidemic prevention guidelines when the situation became more stabilised.



Mobile Audiometric Screening Service



The campaign aims at providing workers engaged in noisy occupations with onsite complimentary hearing health assessment services, including brief medical record inquiry, ear canal examination, pure tone audiometric screening and result analysis. Should there be hearing problems with the examined workers, the audiologist would provide assistance and recommendations to them immediately. Since this campaign had been well received by workers and administrators engaged in noisy occupations, the Board arranged 9 full-day audiometric screening services in the year, providing preliminary and complimentary hearing assessments for nearly 370 workers when the epidemic prevention measures could be complied with. Noisy workplaces being visited covered Tseung Kwan O, Yau Tong, Sau Mau Ping, Kowloon City, Ma On Shan, Sheung Shui, Tuen Mun and the Hong Kong International Airport.



除提供即場的聽覺篩查服務外，管理局的工作人員亦派發「聽力保護錦囊」予工友作教育用途。
Apart from providing onsite audiometric screening service, the Board staff also distribute "Hearing Conservation Kits" to workers for educational purpose.

REPORT ON REHABILITATION SERVICES AND PROGRAMMES

Empowered by the Ordinance, the Board is responsible for conducting and financing rehabilitation programmes for OD persons. Such programmes include aural rehabilitation, social rehabilitation and vocational rehabilitation activities. The mission of such programmes is to help OD sufferers overcome their handicaps brought about by the ailment. All the rehabilitation activities are organised under the name of ODRN, a set-up formed by the Board and its partnering organisations.

Aural Rehabilitation Programmes

The objective of aural rehabilitation programmes is to help OD persons overcome the hearing impairment through the provision of suitable HAD and development of effective communication skills. Due to the raging epidemic in the reporting year, the Board could provide limited services to the public in consideration of public health safety and epidemic prevention. In the year, we recorded a total of 368 visits to the Board's Audiology Room where personalised aural rehabilitation assessment and tinnitus counselling services were rendered by our audiologist. In order to maintain the services provided to OD persons amid the epidemic, the Board audiologist and individual OD persons conducted consultations on the candidacy of HAD, eligibility of binaural fitting of hearing aid, and replacement of malfunctioned equipment through telephone calls and emails. During the same period, educational tips on in-home aural and communication training skills, hygiene maintenance as well as battery conservation issues of hearing aids were shared with members through two editions of the ODRN quarterly newsletters.

In addition, a series of three professional pre-fitting video briefings were being sent via short message service (SMS) by the Board to a total of 52 newly compensated OD persons, aiming to introduce the HAD Financial Assistance Scheme, hearing aid fitting and follow-up procedures, and the hearing aid and tinnitus masker trial schemes. The Board also provided individual consultation services to OD persons equipped with hearing aids so as to guide them on how to use HAD effectively. When needed, the audiologist would provide assertiveness training, hands-on practice opportunity, and professional advice for those who had just purchased hearing aids to enhance their communication capabilities.



Hearing Aid and Tinnitus Masker Trial Scheme

The hearing aid trial scheme was designed to help those OD persons who have reservation about using hearing aids; while for OD persons who suffered from discomfort caused by tinnitus, the Board continued to launch the trial scheme of various tinnitus maskers.

Under the trial scheme, participants could try out behind-the-ear hearing aids, desktop or ear-level tinnitus maskers and sound pillow free of charge for a period of one month. Prior to the trial, the OD persons would be interviewed, followed by an in-depth discussion on the feasibility of individualised management approaches recommended by the audiologist. The Board hopes to make use of such trial scheme to serve as a platform where participants could develop reasonable expectations on hearing aids and tinnitus maskers. In the long run, it aims to raise the practical utilisation and users' satisfaction of the trial scheme.

Social Rehabilitation Programmes

To help OD persons face the problem led by hearing impairment, ODRN organised 667 social rehabilitation activities in 2020/21 with the aim of broadening their social circle and increasing their interest and skills to communicate with other people. Since the persistent epidemic has changed our daily lives, with a view to continuing the provision of social rehabilitation service to OD persons amid the epidemic, aside from arranging face-to-face activities in small groups to comply with the anti-epidemic measures, our service partners also endeavoured to organise various types of activities online. The ODRN volunteer team also shared their special moments of life amid the epidemic with other fellow members by filming short videos, encouraging others to proactively face the changing environment under the new normality. They were encouraged to use electronic platforms to participate in online activities, and also make use of video chat tools to express mutual care.

Overall, these social rehabilitation programmes recorded about 9 717 participations including OD persons and their accompanying caregivers. As some outdoor activities were forced to be cancelled due to the epidemic, during the period we arranged more caring services amounting to 8 127 greeting calls and 383 caring visits, in the hope of contacting and helping those in need promptly. In the year, ODRN had arranged 9 sessions of volunteer and caring ambassador services. The Board also posted some anti-epidemic face masks and handy gadgets to OD members as a gesture of our care for tiding over the difficulties with all.



管理局主席陸偉成醫生(前圖左) 特此感謝致送防疫口罩予「職聰復康網絡」會友的各方友好團體及其代表，包括香港工會聯合會副理事長黃平先生(前圖右)、香港魯班廣悅堂主席鍾冠文先生(後圖左一)、香港建築業協會會長鄧智宏先生(後圖左二)、及香港營造師學會會長岑厚德先生(後圖右一)。

ODCB Chairman Dr Albert Luk (left in the front photo) thanks all organisations and their representatives for their donation of anti-epidemic masks to ODRN members, including Vice Chairman of the Hong Kong Federation of Trade Unions Mr Wong Ping (right in the front photo), Chairman of the Hong Kong Lo Pan Kwong Yuet Tong Mr Paul Chung (1st from left in the back photo), President of the Society of Builders, Hong Kong Mr Tang Chi-wang (2nd from left in the back photo), and President of the Hong Kong Institute of Construction Managers Mr Daniel Shum (1st from right in the back photo).

Vocational Rehabilitation Programmes

To help OD persons who still have the capability and motivation to undertake employment, the Board runs vocational rehabilitation programmes which aim at providing career counselling, job skills training and placement service for the parties concerned. Through various activities under the scheme, we assist OD persons to understand their strengths and job expectations so that they can equip themselves to increase competitiveness in the job market. In addition, job matching services are offered to interested participants under such programmes. In 2020/21, 1 175 participations were recorded for career counselling information sessions of which 22 OD persons had taken part in the job skills retraining programmes based on their different vocational needs. Some of the OD persons had changed to new vocational posts successfully.

「職聰復康網絡」活動留影 “O D R N” Activity Snapshots



郊外遊蹤 Outskirt Exploration



健康樂悠遊 Healthy Hiking



舒筋活絡班 Stretching Therapy



太極班 Tai Chi Class



花藝工作坊 Floral Workshop



國畫班 Chinese Painting Class



義工嘉許禮 Volunteer Award Ceremony



健康講座 Health Talk



草地滾球班 Lawn Bowls Training Course



文物探知參觀 Cultural Relic Visit



職聰樂團 ODRN Orchestra



手工藝製作班 Handicraft Making Class



職聰小劇場 ODRN Theatre



智能手機班 Smart Phone Class



網上防治痛症 Pain Prevention Online Class



網上書法班 Calligraphy Online Class

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OCCUPATIONAL DEAFNESS COMPENSATION BOARD**
(Established under the Occupational Deafness (Compensation) Ordinance)

Opinion

We have audited the financial statements of Occupational Deafness Compensation Board (the "Board") set out on pages 28 to 49, which comprise the statement of financial position as at 31 March 2021 and the income and expenditure account, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Board as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Occupational Deafness (Compensation) Ordinance.

Basis for opinion

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

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

The Board is responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OCCUPATIONAL DEAFNESS COMPENSATION BOARD**
(Established under the Occupational Deafness (Compensation) Ordinance)

(Continued)

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Occupational Deafness (Compensation) Ordinance, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board is responsible for overseeing the Board's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OCCUPATIONAL DEAFNESS COMPENSATION BOARD**
(Established under the Occupational Deafness (Compensation) Ordinance)

(Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 19 October 2021

]

YEUNG Sik-hung, Alvin
Practising Certificate Number P05206

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
INCOME			
Distribution from Employees' Compensation			
Insurance Levies Management Board	4	50,671,769	47,664,113
Government payments	5	2,764,171	2,419,749
Interest income from time deposits		6,507,875	12,800,971
Service fee income		640,000	640,000
		<u>60,583,815</u>	<u>63,524,833</u>
EXPENDITURE			
Occupational deafness compensation	6	6,996,407	35,056,731
Hearing assistive devices' financial			
assistance expenses	7	3,828,900	5,433,530
Hearing assessment expenses		679,583	1,571,224
Promotional and publicity programmes		3,472,674	4,984,613
Rehabilitation programmes		4,502,203	5,068,163
Administrative expenses	8	13,231,618	12,976,719
Rent, rates and management fee		253,912	264,412
		<u>32,965,297</u>	<u>65,355,392</u>
SURPLUS/(DEFICIT) AND TOTAL COMPREHENSIVE INCOME/(EXPENDITURE) FROM OPERATIONS		27,618,518	(1,830,559)
FINANCE COST			
Interest element of lease rentals		<u>(1,786)</u>	<u>(1,321)</u>
SURPLUS/(DEFICIT) AND TOTAL COMPREHENSIVE INCOME/(EXPENDITURE) FOR THE YEAR		<u><u>27,616,732</u></u>	<u><u>(1,831,880)</u></u>

The notes on pages 32 to 49 form part of these financial statements.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	9	45,550,797	46,532,931
Intangible assets	10	85,000	86,667
Time deposits		-	54,500,000
		45,635,797	101,119,598
CURRENT ASSETS			
Account receivables		-	44,476
Prepayment and deposits		64,504	64,504
Interest receivable		420,606	3,383,425
Time deposits		602,000,000	515,100,000
Cash and cash equivalents		12,542,392	13,022,372
		615,027,502	531,614,777
CURRENT LIABILITIES			
Accrued charges		2,577,436	2,335,732
Lease liabilities	11	70,488	23,879
		2,647,924	2,359,611
NET CURRENT ASSETS		<u>612,379,578</u>	<u>529,255,166</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		658,015,375	630,374,764
NON-CURRENT LIABILITIES			
Lease liabilities	11	23,879	-
NET ASSETS		<u>657,991,496</u>	<u>630,374,764</u>
RETAINED SURPLUS		<u>657,991,496</u>	<u>630,374,764</u>

Approved and authorised for issue by the Board on 19 October 2021.

On behalf of the Board

Dr. TSANG Ho-fai, Thomas
Chairman

The notes on pages 32 to 49 form part of these financial statements.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Retained <u>surplus</u> HK\$
Balance as at 1 April 2019	632,206,644
Deficit and total comprehensive expenditure for the year	<u>(1,831,880)</u>
Balance as at 31 March 2020 and 1 April 2020	630,374,764
Surplus and total comprehensive income for the year	<u>27,616,732</u>
Balance as at 31 March 2021	<u>657,991,496</u>

The notes on pages 32 to 49 form part of these financial statements.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
OPERATING ACTIVITIES		
Surplus/(deficit) for the year	27,616,732	(1,831,880)
Adjustments for:		
Interest income	(6,507,875)	(12,800,971)
Depreciation charge	1,142,276	1,180,442
Finance cost	1,786	1,321
Amortisation	96,667	118,333
	<hr/>	<hr/>
Changes in working capital	22,349,586	(13,332,755)
Decrease/(increase) in account receivable	44,476	(44,476)
Increase in accrued charges	241,704	355,587
	<hr/>	<hr/>
CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	22,635,766	(13,021,644)
INVESTING ACTIVITIES		
(Increase)/decrease in time deposits	(32,400,000)	13,600,000
Interest received	9,470,694	11,280,259
Payment for the purchase of property, plant and equipment	(19,256)	(60,103)
Payment for the purchase of intangible assets	(95,000)	(65,000)
	<hr/>	<hr/>
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(23,043,562)	24,755,156
FINANCING ACTIVITIES		
Capital element of lease rentals paid	(70,398)	(70,680)
Interest element of lease rentals paid	(1,786)	(1,321)
	<hr/>	<hr/>
NET CASH USED IN FINANCING ACTIVITIES	(72,184)	(72,001)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(479,980)	11,661,511
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,022,372	1,360,861
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	12,542,392	13,022,372
	<hr/>	<hr/>

The notes on pages 32 to 49 form part of these financial statements.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. CORPORATE STATUS

The Occupational Deafness Compensation Board (the “Board”) is incorporated by virtue of the Occupational Deafness (Compensation) Ordinance (the “Ordinance”) to hold the Occupational Deafness Compensation Fund upon trust and to manage and administer the fund. The registered office and place of operation of the Board is situated at Office A-B, 15/F., Billion Plaza II, 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Board. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Board for the current and prior accounting periods reflected in these financial statements.

b) Basis of preparation of the financial statements

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

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

Judgments made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 15.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(f)(ii)).

- right-of-use assets arising from leases over leasehold properties when the Board is not the registered owner of the property interest; and
- items of plant and equipment including right-of-use assets arising from leases of underlying plant and equipment (see note 2(e)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight line method over their estimated useful lives as follows:

Leasehold land and buildings	50 years
IT and AV equipment	3 years
Rehabilitation service equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Board and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income and expenditure account during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net proceeds on disposal and the carrying amount of the item and are recognised in income and expenditure account on the date of retirement or disposal.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Intangible assets (other than goodwill)

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

- System development and modification 3 years

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in income and expenditure account when the asset is derecognised.

e) Leased assets

At inception of a contract, the Board assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Board has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Board recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Leased assets (Continued)

As a lessee (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to income and expenditure account in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(c) and 2(f)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Board's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Board will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income and expenditure account if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

The Board presents right-of-use assets in "property, plant and equipment" and presents lease liabilities separately in the statement of financial position.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets

i) Credit losses from financial instruments

The Board recognises a loss allowance for expected credit losses (ECLs) on the financial assets measured at amortised cost (including cash and cash equivalents and account and other receivables).

Other financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Board in accordance with the contract and the cash flows that the Board expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, account and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Board is exposed to credit risk.

In measuring ECLs, the Board takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for account receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Board's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)

For all other financial instruments, the Board recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Board compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Board considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Board in full, without recourse by the Board to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Board considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Board.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Board recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments (Continued)

Basis of calculation of interest income

Interest income recognised in accordance with note 2(l)(i) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Board assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Board determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in income and expenditure account in the period in which the recovery occurs.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Credit losses and impairment of assets (Continued)

ii) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets; and
- intangible assets.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in income and expenditure account if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income and expenditure account in the year in which the reversals are recognised.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Account and other receivables

A receivable is recognised when the Board has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(f)(i)).

h) Accruals and other payables

Accruals and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

j) Employee benefits

Salaries, annual bonuses, paid annual leave, defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to the income and expenditure account when incurred.

k) Provisions and contingent liabilities

Provisions are recognised when the Board has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) Revenue and other income

Income is classified by the Board as revenue when it arises from the provision of services in the ordinary course of the Board's business.

Revenue is recognised when service is transferred to the customer at the amount of promised consideration to which the Board is expected to be entitled, excluding those amounts collected on behalf of third parties.

Further details of the Board revenue and other income recognition policies are as follow:

i) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(f)(i)).

ii) Distribution from the Employees' Compensation Insurance Levies Management Board

Net resources received from the Employees' Compensation Insurance Levies Management Board is recognised as revenue in accordance with Section 7 of the Employees' Compensation Insurance Levies Ordinance.

iii) Government payments

Revenue from government payments is recognised in accordance with Section 7 of the Occupational Deafness (Compensation) Ordinance.

iv) Service fee income

Service fee income is recognised when the services are rendered.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. APPLICATION OF AMENDMENTS TO HKFRSs

In the current year, the Board has applied the “Amendments to References to the Conceptual Framework in HKFRS Standards” and the following amendments to HKFRSs issued by the HKICPA that are first effective for the current accounting period of the Board for the preparation of the financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the “Amendments to References to the Conceptual Framework in HKFRS Standards” and the amendments to HKFRSs in the current year had no material impact on the Board’s financial position and performance for the current and prior years and/or on the disclosures set out in these financial statements.

4. DISTRIBUTION FROM EMPLOYEES’ COMPENSATION INSURANCE LEVIES MANAGEMENT BOARD

In accordance with Section 7 of the Employees’ Compensation Insurance Levies Ordinance, the Employees’ Compensation Insurance Levies Management Board shall distribute a proportion of its net resources to the Occupational Deafness Compensation Board on a quarterly basis. The resources of the Employees’ Compensation Insurance Levies Management Board mainly consist of a levy imposed on all employees’ compensation insurance premiums.

The proportion of the net resources of the Employees’ Compensation Insurance Levies Management Board to be distributed to the Occupational Deafness Compensation Board for the years ended 31 March 2020 and 2021 was 7/58.

The present rate of levy on employees’ compensation insurance premiums is 5.8% on or after 1 July 2010.

5. GOVERNMENT PAYMENTS

In accordance with Section 7 of the Occupational Deafness (Compensation) Ordinance, the Government has to make payment in respect of the employees engaged in the civil service to the Board.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. OCCUPATIONAL DEAFNESS COMPENSATION

In accordance with Section 14(1) of the Occupational Deafness (Compensation) Ordinance, a person who suffers noise-induced deafness is entitled to compensation if he/she satisfies the Board that he/she fulfils the conditions specified in Section 14(2). Moreover, Section 14A(1) provides that after a person has been awarded compensation on an application under Section 15, the person is entitled to further compensation for any additional permanent incapacity resulting from noise-induced deafness suffered if the Board is satisfied that the person fulfils the conditions specified in Section 14A(2). The term “noise-induced deafness” is defined in Section 2 of the Ordinance. Schedule 5 of the Ordinance sets out how the amount of compensation is to be determined.

7. HEARING ASSISTIVE DEVICES’ FINANCIAL ASSISTANCE EXPENSES

In accordance with Section 27B of the Occupational Deafness (Compensation) Ordinance, a person who fulfils the conditions specified in Section 27B(1) may apply to the Board for reimbursement of expenses he or she has reasonably incurred in the acquisition, fitting, repair or maintenance of a hearing assistive device in connection with his or her noise-induced deafness, or for payment by the Board directly to the device provider of such expenses he or she may reasonably incur. The term “hearing assistive device” is defined in Schedule 6 of the Ordinance. According to Schedule 7 of the Ordinance, the aggregate amount of reimbursement and direct payment of expenses shall not exceed HK\$79,000 per claimant on and after 26 April 2019.

Until 31 March 2021, the unused amount granted for the Hearing Assistive Devices’ Financial Assistance Scheme was approximately HK\$295,348,000 (2020: HK\$298,135,000).

8. ADMINISTRATIVE EXPENSES

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
Auditor’s remuneration:			
- Audit services		64,500	61,500
- Other services		9,870	9,720
Depreciation charge	9	1,142,276	1,180,442
Amortisation	10	96,667	118,333
General administrative expenses		834,930	912,017
Staff costs			
- Salaries and other benefits		10,375,101	9,986,803
- Retirement benefit		708,274	707,904
		<u>13,231,618</u>	<u>12,976,719</u>

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. PROPERTY, PLANT AND EQUIPMENT

	Ownership interests in leasehold land and buildings held for own use HK\$	Other properties leased for own use HK\$	IT and AV equipment HK\$	Rehabilitation service equipment HK\$	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
Cost							
At 1 April 2019	51,610,839	94,558	188,706	46,596	6,660	-	51,947,359
Additions	-	-	43,775	-	12,450	3,878	60,103
At 31 March 2020 and 1 April 2020	51,610,839	94,558	232,481	46,596	19,110	3,878	52,007,462
Additions	-	140,886	12,516	-	3,750	2,990	160,142
At 31 March 2021	<u>51,610,839</u>	<u>235,444</u>	<u>244,997</u>	<u>46,596</u>	<u>22,860</u>	<u>6,868</u>	<u>52,167,604</u>
Accumulated depreciation							
At 1 April 2019	4,128,868	-	132,160	30,397	2,664	-	4,294,089
Charge for the year	1,032,217	70,919	57,177	15,532	3,822	775	1,180,442
At 31 March 2020 and 1 April 2020	5,161,085	70,919	189,337	45,929	6,486	775	5,474,531
Charge for the year	1,032,217	70,723	32,724	667	4,572	1,373	1,142,276
At 31 March 2021	<u>6,193,302</u>	<u>141,642</u>	<u>222,061</u>	<u>46,596</u>	<u>11,058</u>	<u>2,148</u>	<u>6,616,807</u>
Carrying amounts							
At 31 March 2021	<u>45,417,537</u>	<u>93,802</u>	<u>22,936</u>	<u>-</u>	<u>11,802</u>	<u>4,720</u>	<u>45,550,797</u>
At 31 March 2020	<u>46,449,754</u>	<u>23,639</u>	<u>43,144</u>	<u>667</u>	<u>12,624</u>	<u>3,103</u>	<u>46,532,931</u>

Right-of-use assets

The analysis of the net book value of right-of-use assets of underlying asset is as follows:

	Note	2021 HK\$	2020 HK\$
Ownership interests in leasehold land and buildings held for own use, carried at depreciated cost in Hong Kong	(i)	45,417,537	46,449,754
Properties leased for own use, carried at depreciated cost in Hong Kong	(ii)	93,802	23,639
		<u>45,511,339</u>	<u>46,473,393</u>

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Right-of-use assets (Continued)

The analysis of expense items in relation to leases recognised in income and expenditure account is as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$ (Note)
Depreciation charge of right-of-use assets by class of underlying assets:		
Ownership interests in leasehold land and buildings	1,032,217	1,032,217
Properties leased for own use	<u>70,723</u>	<u>70,919</u>
	<u>1,102,940</u>	<u>1,103,136</u>
Interest on lease liabilities	<u>1,786</u>	<u>1,321</u>

Note:

During the year, additions to right-of-use assets were HK\$140,886 (2020: HK\$Nil).

The total cash outflow for leases in 2021 was HK\$72,184 (2020: HK\$72,000).

The maturity analysis of lease liabilities is set out in note 11.

i) Ownership interests in leasehold land and buildings held for own use

The Board holds industrial buildings for its business. The Board is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

ii) Properties leased for own use

The Board has obtained the right to use properties as its warehouses through tenancy agreements. The leases typically run for an initial period of 2 years. Lease payments remain unchanged.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. INTANGIBLE ASSETS

HK\$

Cost

At 1 April 2019	319,025
Additions	<u>65,000</u>
At 31 March 2020 and 1 April 2020	384,025
Additions	<u>95,000</u>
At 31 March 2021	<u>479,025</u>

Accumulated amortisation

At 1 April 2019	179,025
Charge for the year	<u>118,333</u>
At 31 March 2020 and 1 April 2020	297,358
Charge for the year	<u>96,667</u>
At 31 March 2021	<u>394,025</u>

Carrying amounts

At 31 March 2021	<u>85,000</u>
At 31 March 2020	<u>86,667</u>

The amortisation charge for the year is included in "administrative expenses" in the income and expenditure account.

11. LEASE LIABILITIES

At 31 March 2021, the lease liabilities were repayable as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Within 1 year	70,488	23,879
After 1 year but within 2 years	<u>23,879</u>	<u>-</u>
	<u>94,367</u>	<u>23,879</u>

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. TAXATION

The Board has been granted exemption from taxation under Section 88 of the Inland Revenue Ordinance.

13. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Board is exposed to financial risk through its financial instruments. Financial instruments consist of time deposits, interest receivable, cash and cash equivalents and accrued expenses. The most important components of this financial risk are credit risk and interest rate risk.

a) Credit risk

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Account receivable

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Account receivable is due from the date of billing. Normally, the Board does not obtain collateral from customers.

The Board measures loss allowances for account receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Board's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Board's different customer bases.

Expected loss rates are based on actual loss experience over the past two years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Board's view of economic conditions over the expected lives of the receivables.

b) Interest rate risk

The Board's exposure to market risk for changes in interest rates relates primarily to the bank balances and time deposits. Interest income is charged to income and expenditure account as incurred.

OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS
(Continued)

b) Interest rate risk (Continued)

The Board's interest rate profile as monitored is set out in (i) below.

i) Interest rate profile

	<u>2021</u> HK\$	<u>2020</u> HK\$
Time deposits	602,000,000	569,600,000
Cash and cash equivalents	<u>12,542,392</u>	<u>13,022,372</u>
	<u>614,542,392</u>	<u>582,622,372</u>
Effective interest rate	0.001% - 0.78%	0.001% - 2.70%

ii) Sensitivity analysis

As at 31 March 2021, it is estimated that a general increase/decrease of 20 basis points in interest rates, with all other variables held constant, would decrease/increase the Board's deficit for the year and increase/decrease retained surplus by approximately HK\$1,229,085 (2020: HK\$1,165,245).

The sensitivity analyses above have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 20 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The analysis is performed on the same basis for 2020.

c) Fair value

All financial instruments are carried at amounts approximate their fair values.

14. CAPITAL MANAGEMENT

Capital of the Board comprises accumulated surplus as shown in the statement of financial position.

The Board's primary objectives when managing capital are to safeguard the Board's ability to continue as a going concern and to enable the Board to meet its liabilities as they fall due for the foreseeable future.

The Board's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Board.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

In the process of applying the Board's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimated uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

i) Estimated impairment of non-financial assets

Property, plant and equipments, right-of-use assets and intangible asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Board has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset including right-of-use assets, the Board estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rate or the growth rate in the cash flow projections, could materially affect the recoverable amount.

16. POSSIBLE IMPACT OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2021

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard which are not yet effective for the year ended 31 March 2021 and which have not been adopted in these financial statements.

The Board is in the process of making an assessment of what the impact of these amendments and new standard is expected to be in the period of initial application. So far the Board has concluded that the adoption of them is unlikely to have a significant impact on the financial statements in the foreseeable future.

Requirements and Compensation Calculation Methods under the Occupational Deafness Compensation Scheme

OD is one of the most common occupational diseases detected in Hong Kong. It is caused by prolonged exposure to high level of noise at work, which results in the damage of the nerve cells of the inner ear. Once damaged or destroyed, these nerve cells will not recover. The resulting hearing impairment will be permanent and cannot be cured.

The Occupational Deafness Compensation Scheme provides for the payment of compensation to those employees who suffer from noise-induced hearing loss due to employment in specified noisy occupations. Applicants have to fulfil both the occupational and hearing loss requirements as stipulated by the Ordinance in order to be entitled to receiving compensation.

Occupational Requirements

To meet the occupational requirements, an applicant should have at least 10 years of employment in aggregate in any of the specified noisy occupations in Hong Kong or at least 5 years of employment in the case of 4 occupations that are particularly noisy. Specified noisy occupations refer to those occupations that are specified under the Ordinance, involving either noisy production processes or the use of noisy machinery. At present, 29 noisy occupations are specified, a full list of which is provided in the notes overleaf.



Moreover, an applicant has to be employed under a continuous contract of employment² in any specified noisy occupations in Hong Kong within the 12 months before making an application for compensation.

² An applicant is regarded as having been employed under a continuous contract of employment if he/she has been employed continuously by the same employer for 4 or more weeks and has worked for 18 hours or more in each of such weeks.

Notes: Noisy Occupations Specified under the Occupational Deafness (Compensation) Ordinance

According to Schedule 3 of the Occupational Deafness (Compensation) Ordinance, a noisy occupation is one of the following noisy types. For the particularly noisy types 3, 10, 11 and 25, workers with a minimum of 5 years of employment can apply for compensation.

1. the use of power-driven grinding tools on metal or on billets of metal or blooms, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used;
2. the use of power-driven percussive tools on metal or on billets of metal or blooms, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used;
3. the use of power-driven grinding, chiselling, cutting or percussive tools on rocks, concrete or marble, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used;
4. work wholly or mainly in the immediate vicinity of plant (excluding power press plant) engaged in the forging (including drop stamping) of metal by means of closed or open dies or drop hammers;
5. work in textile manufacturing where the work is undertaken wholly or mainly in rooms or sheds in which there are machines engaged in weaving man-made or natural (including mineral) fibres or in the high speed false twisting of fibres;
6. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in cutting, shaping or cleaning metal nails or screws;
7. the use of, or work wholly or mainly in the immediate vicinity of, plasma spray guns engaged in the deposition of metal;
8. the use of, or work wholly or mainly in the immediate vicinity of, any of the following machines: multi-cutter moulding machines, planing machines, automatic or semi-automatic lathes, multiple cross-cut machines, automatic shaping machines, double-end tenoning machines, vertical spindle moulding machines (including high-speed routing machines), edge banding machines, bandsawing machines with a blade width of not less than 75 mm and circular sawing machines;
9. the use of chain saws;
10. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in percussive pile or metal plank driving on construction sites;
11. work wholly or mainly in the immediate vicinity of abrasive blasting operations;
12. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in grinding of glass;
13. work wholly or mainly in the immediate vicinity of machines engaged in crushing or screening of rocks or stone aggregate;
14. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in granulating of plastic materials;

15. work wholly or mainly in the immediate vicinity of machines or hand tools engaged in descaling of ships;
16. work wholly or mainly in the immediate vicinity of internal combustion engines or turbines or pressurised fuel burners or jet engines;
17. work wholly or mainly in the immediate vicinity of car body repair, or of making metal articles by manual hammering;
18. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in extruding of plastic materials;
19. the use of paper corrugating machines, or work wholly or mainly in the immediate vicinity of those machines whilst they are being so used;
20. work wholly or mainly in the immediate vicinity of bleaching and dyeing of fabric involving machines using pressurised steam;
21. work wholly or mainly in the immediate vicinity of glass-bottling lines;
22. work wholly or mainly in the immediate vicinity of metal-can bottling lines;
23. the use of paper folding machines, or work wholly or mainly in the immediate vicinity of those machines whilst they are being so used;
24. the use of high speed web-fed offset printing machines, or work wholly or mainly in the immediate vicinity of those machines whilst they are being so used;
25. work wholly or mainly in the immediate vicinity of gun-firing operation;
26. work wholly or mainly in the immediate vicinity of a place where the electric stunning of pigs for the purpose of slaughter takes place;
27. playing mahjong (as the major duty) inside a mahjong parlour licensed under section 22(1)(b) of the Gambling Ordinance (Cap. 148);
28. preparing or serving drinks (as the main duty) in the immediate vicinity of the dancing area of a discotheque; or
29. controlling or operating a system for playing back and broadcasting recorded music in a discotheque.

<p>Note: The occupations in grey shade are the 4 particularly noisy occupations. An applicant is only required to be engaged in these occupations in aggregate for 5 years, instead of 10 years, in order to fulfil the employment requirement.</p>

Hearing Loss Requirements

Under the Ordinance, an applicant will be determined as suffering from OD if he/she has sensorineural hearing loss, as measured by audiometry averaged over the 1, 2 and 3 kHz frequencies, in the following manner:

- (A) Binaural hearing loss - sensorineural hearing loss amounting to not less than 40 dB in both ears, where such loss of at least one ear is due to noise; or
- (B) Monaural hearing loss - sensorineural hearing loss amounting to not less than 40 dB in only one ear, where such loss is due to noise.

Further Compensation

An applicant who has previously received compensation from the Board shall be entitled to apply for further compensation if he/she fulfils the following requirements:

Occupational Requirements

- Having at least 3 years of employment in aggregate in any specified noisy occupations in Hong Kong after the application date of his/her latest application for which compensation has been approved; and
- Having been employed under a continuous contract in a specified noisy occupation in Hong Kong within the 12 months prior to making the application for further compensation.

Additional Permanent Incapacity Requirements

- Confirmed by hearing test as suffering from noise-induced binaural or monaural hearing loss; and
- The percentage of permanent incapacity of the applicant as determined by the Board is greater than that of the latest application for which compensation has been approved.

Payment of Compensation

Under the Ordinance, the first-time compensation or further compensation is paid in a lump sum calculated with reference to the applicant's age, monthly earnings and percentage of permanent incapacity resulting from OD in the following way:

Age of Applicant	Amount of Compensation	
Under 40	96 months' earnings	Percentage of permanent incapacity (Compensation for the first time) OR Percentage of additional permanent incapacity (Further compensation)
40 to under 56	72 months' earnings	
56 or above	48 months' earnings	

For the purpose of calculating the amount of compensation, the average monthly earnings received by the applicant in his/her last 12 months' employment in specified noisy occupations in Hong Kong prior to the date of application shall be taken as his/her monthly earnings. If the applicant cannot provide documentary evidence on his/her earnings or the evidence provided by him/her is not accepted by the Board, the median monthly employment earnings of the total employed population of Hong Kong published by the Census and Statistics Department will be adopted for computing the compensation amount. Irrespective of which figure is used, the amount is subject to a maximum of HK\$30,530.

In accordance with the newly amended Ordinance, the applicant's monthly earnings have been raised to a maximum of HK\$35,600 from HK\$30,530 for calculating the compensation amount with effect from 15 April 2021.
--

The percentage of permanent incapacity is determined by the hearing loss suffered by the applicant in both ears. Under the Ordinance, it ranges from a minimum of 0.5% to a maximum of 60%.

最近 3 年之首次補償申請者所從事的高噪音工作類別

Type of Noisy Occupations Engaged (Compensation for the First Time) for the Most Recent 3 Years

噪音工作/Noisy Occupation (類別/Type)*	2018/19		2019/20		2020/21	
	數目 Number	(%)	數目 Number	(%)	數目 Number	(%)
對石塊、混凝土或大理石使用機動研磨、開鑿、切割或衝擊工具 (3) Using power-driven grinding, chiselling, cutting or percussive tools on rocks, concrete or marble	280	46.0	247	49.7	177	51.3
在內燃機、渦輪機、加壓燃料爐頭或噴射引擎的附近工作 (16) Working near internal combustion engines, turbines, pressurised fuel burners or jet engines	134	22.0	153	30.8	87	25.2
對金屬或金屬坯段或鋼錠使用機動研磨工具 (1) Using power-driven grinding tools on metal or on billets of metal or blooms	77	12.7	37	7.5	37	10.7
在建築工地內使用撞擊式打樁或板樁的機器 (10) Using machines engaged in percussive pile or metal plank driving on construction sites	57	9.4	33	6.6	23	6.7
使用高速捲筒紙柯式印刷機 (24) Using high speed web-fed offset printing machines	35	5.8	9	1.8	13	3.8
在噴砂打磨作業的附近工作 (11) Working near abrasive blasting operations	5	0.8	8	1.6		
使用鑽板機、刨床機、圓鋸機或自動車床 (8) Using routing, planing, circular sawing machines or automatic lathes	7	1.1	5	1.0	5	1.4
使用紙張摺疊機 (23) Using paper folding machines	5	0.8	2	0.4		
對金屬或金屬坯段或鋼錠使用機動衝擊工具 (2) Using power-driven percussive tools on metal or on billets of metal or blooms	2	0.3	1	0.2	1	0.3
在車身修理或用人手錘鍊製作金屬製品的附近工作 (17) Working near car body repair, or of making metal articles by manual hammering	1	0.2	1	0.2		
使用壓碎塑料的機器 (14) Using machines engaged in granulating of plastic materials			1	0.2		
在紡織製造業工作 (5) Working in textile manufacturing with weaving machines	4	0.7			1	0.3
在入玻璃瓶作業線的附近工作 (21) Working near glass-bottling lines	1	0.2				
在壓碎或篩選石塊或碎石料的機器的附近工作 (13) Working near machines engaged in crushing or screening of rocks or stone aggregate					1	0.3
總數: Total:	608	100.0	497	100.0	345	100.0

* 根據《條例》附表3下指定的高噪音工作類別 / According to the types of noisy occupations specified under Schedule 3 of the Ordinance

最近 3 年之再次補償申請者所從事的高噪音工作類別
Type of Noisy Occupations Engaged (Further Compensation) for the Most Recent 3 Years

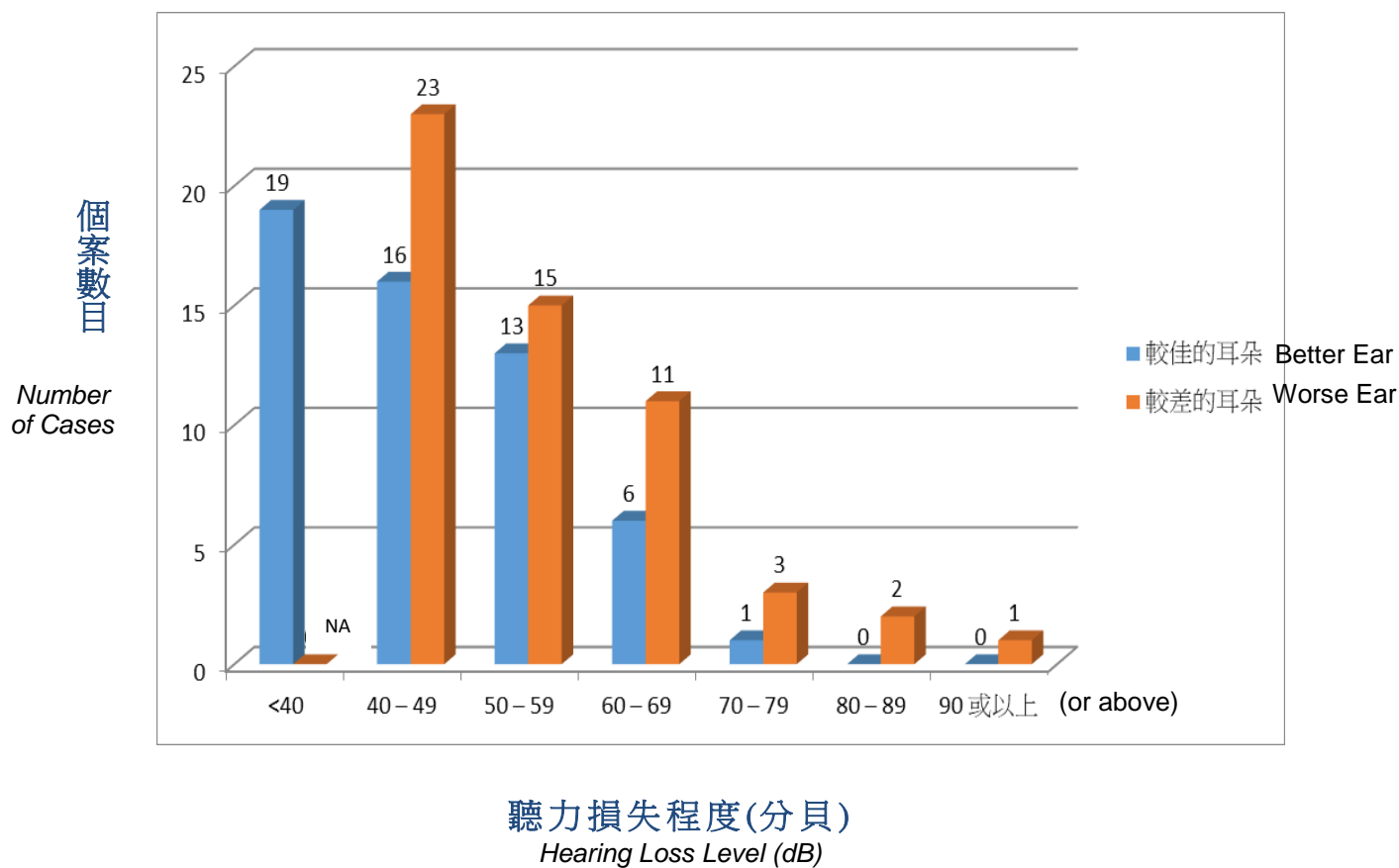
噪音工作/Noisy Occupation (類別/Type)*	2018/19		2019/20		2020/21	
	數目 Number	(%)	數目 Number	(%)	數目 Number	(%)
在內燃機、渦輪機、加壓燃料爐頭或噴射引擎的附近工作 (16) Working near internal combustion engines, turbines, pressurised fuel burners or jet engines	23	20.0	32	31.7	30	35.7
對石塊、混凝土或大理石使用機動研磨、開鑿、切割或衝擊工具 (3) Using power-driven grinding, chiselling, cutting or percussive tools on rocks, concrete or marble	58	50.4	29	28.7	30	35.7
對金屬或金屬坯段或鋼錠使用機動研磨工具 (1) Using power-driven grinding tools on metal or on billets of metal or blooms	15	13.1	25	24.8	16	19.0
使用鑽板機、刨床機、圓鋸機或自動車床 (8) Using routing, planing, circular sawing machines or automatic lathes	6	5.2	5	4.9	3	3.6
在建築工地內使用撞擊式打樁或板樁的機器 (10) Using machines engaged in percussive pile or metal plank driving on construction sites	6	5.2	5	4.9	2	2.4
在噴砂打磨作業的附近工作 (11) Working near abrasive blasting operations	4	3.5	3	3.0		
對金屬或金屬坯段或鋼錠使用機動衝擊工具 (2) Using power-driven percussive tools on metal or on billets of metal or blooms			1	1.0	1	1.2
在根據《賭博條例》獲發牌照的麻將館內搓麻將並以此作為主要職責 (27) Playing mahjong (as the major duty) inside a mahjong parlour licensed under the Gambling Ordinance			1	1.0		
使用高速捲筒紙柯式印刷機 (24) Using high speed web-fed offset printing machines	2	1.7				
使用擠出塑料的機器 (18) Using machines engaged in extruding of plastic materials	1	0.9				
使用鏈鋸 (9) Using chain saws					1	1.2
使用機器或手提工具清理船舶外殼 (15) Using machines or hand tools engaged in descaling of ships					1	1.2
總數: Total:	115	100.0	101	100.0	84	100.0

* 根據《條例》附表3下指定的高噪音工作類別 / According to the types of noisy occupations specified under Schedule 3 of the Ordinance

獲取首次補償者的聽力損失程度分析圖 (2020/21年度)

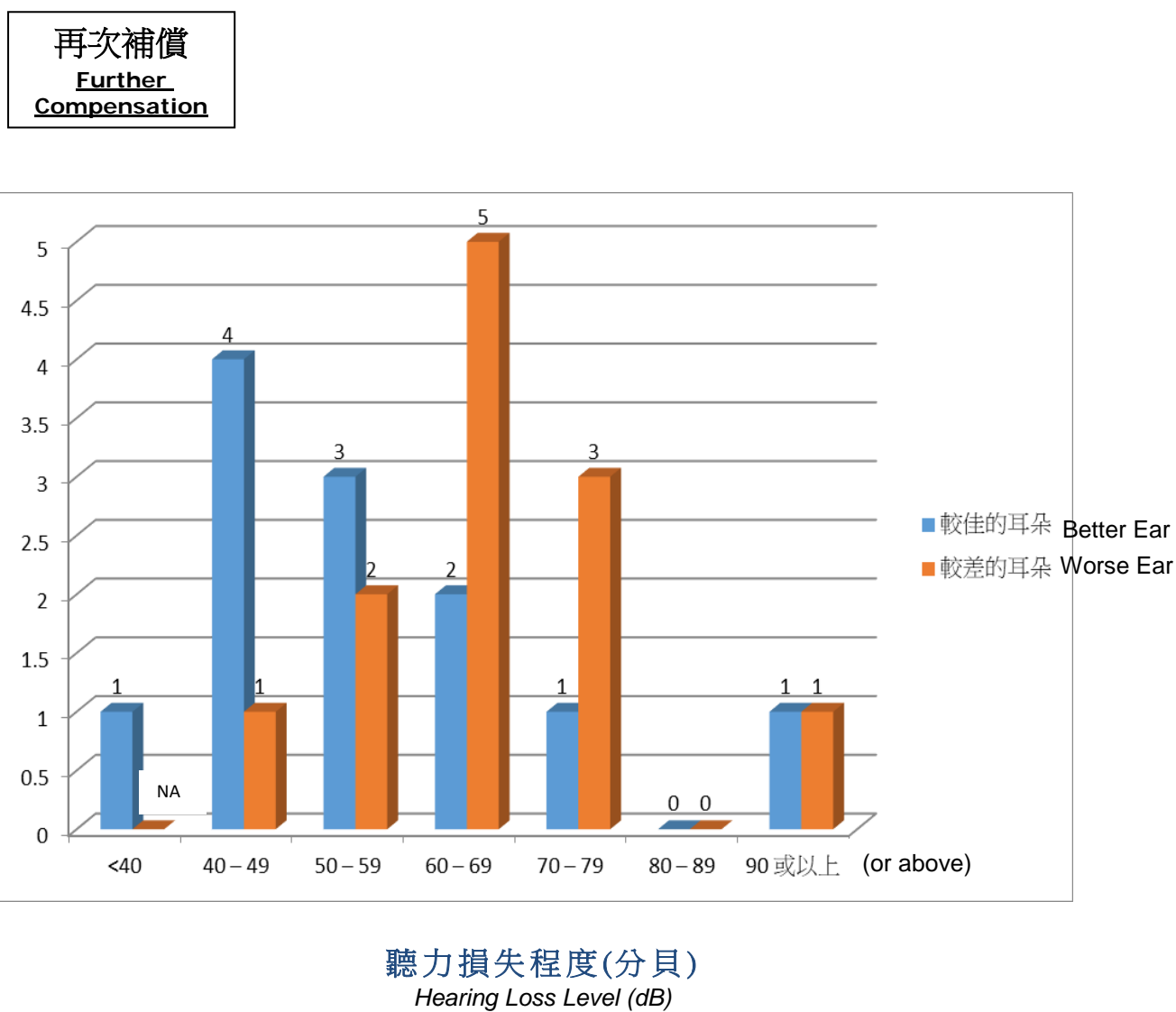
Analysis of Approved Cases of First-time Compensation by Level of Hearing Loss (Year 2020/21)

首次補償
First-time
Compensation



獲取再次補償者的聽力損失程度分析圖 (2020/21年度)

Analysis of Approved Cases of Further Compensation by Level of Hearing Loss (Year 2020/21)

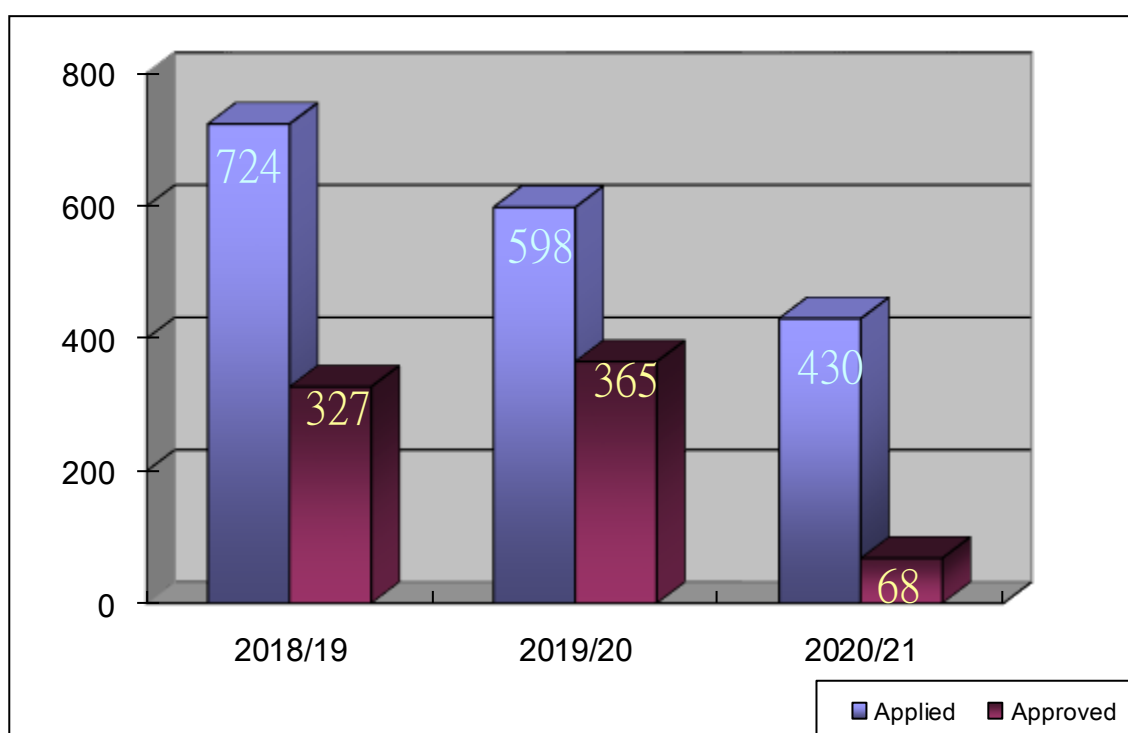


最近3年之職業性失聰補償申請及獲批個案數字

Applications versus Approved Cases of Occupational Deafness Compensation

for the Most Recent 3 Years

個案數目 Number of Cases



申請個案 獲批個案

年份 Year	申請個案 Number of Applications	獲批個案 Number of Approved Cases	補償總金額 (港元) Total Amount of Compensation (HK\$)
2018/19	724	327	\$33,135,263
2019/20	598	365	\$35,034,162
2020/21	430	68	\$7,049,877