

2021/22 Annual Report of Occupational Deafness Compensation Board

<u>Contents</u>	<u>Page</u>
Chairman’s Message	2
Profile and Membership of the Occupational Deafness Compensation Board.....	6
Profile and Membership of the Occupational Deafness Medical Committee	8
Other Committees of the Occupational Deafness Compensation Board	9
Application and Determination for the Occupational Deafness Compensation Scheme.....	10
Financial Assistance Scheme for Hearing Assistive Devices.....	18
Report on Education and Publicity.....	19
Report on Rehabilitation Services and Programmes.....	24
Independent Auditor’s Report	27
Financial Statements.....	30

Appendices

1. Requirements and Compensation Calculation Methods under the Occupational Deafness Compensation Scheme	55
2. Type of Noisy Occupations Engaged (Compensation for the First Time) for the Most Recent 3 Years.....	60
3. Type of Noisy Occupations Engaged (Further Compensation) for the Most Recent 3 Years.....	61
4. Analysis of Approved Cases of First-time Compensation by Level of Hearing Loss (Year 2021/22)	62
5. Analysis of Approved Cases of Further Compensation by Level of Hearing Loss (Year 2021/22)	63
6. Applications versus Approved Cases of Occupational Deafness Compensation for the Most Recent 3 Years.....	64



職業性失聰補償管理局 Occupational Deafness Compensation Board

管理局貫徹始終地堅守專業，承諾為有需要人士提供聽覺保護，並向職業性失聰人士提供相關補償及復康計劃的全面服務。

The Board at all times adheres to our professionalism and commitment to rendering holistic services of hearing protection for those in need, as well as providing related compensation and rehabilitation programmes to occupational deafness persons in a timely manner.



曾浩輝 醫生
Dr TSANG Ho-fai, Thomas

職業性失聰補償管理局 主席
Chairman, Occupational Deafness Compensation Board

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Dr TSANG Ho-fai, Thomas

職業性失聰補償管理局 主席
Chairman, Occupational Deafness Compensation Board

CHAIRMAN'S MESSAGE



In 2021/22, the Occupational Deafness Compensation Board (the “Board”) achieved its statutory objectives to promote hearing conservation, process Occupational Deafness (“OD”) compensation applications and provide rehabilitation programmes to persons with OD in Hong Kong. These achievements were made amid challenges posed by the ongoing novel coronavirus epidemic throughout the year.

The epidemic caused significant disruption to the Board’s daily operations and services. For example, medical examinations and hearing tests for applicants for OD compensation were suspended during 14 February to 31 May 2022 to prevent virus spread in accordance with Government’s direction. Fortunately, the Board gradually caught up with the delay in processing of these applications in the ensuing months.

Looking ahead, besides taking measures to minimise the impact of the COVID-19 epidemic, the Board will continue its quest to update and improve its services to our target clients. As always, our staff members will strive to serve the public with professionalism and dedication.

Compensation

During the year under review, the Board received a total of 773 applications for compensation, including 646 cases of first-time and 126 cases of further application, as well as one previously refused application for which the applicant was suffering from monaural hearing loss only. 506 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\$54.93 million was approved for 410 first-time and 95 further applications for compensation, as well as one previously refused application for which the applicant was suffering from monaural hearing loss. When the epidemic was mitigated in the community, we made every effort to resume the medical examination and hearing test services provided in relevant clinics as soon as possible. Our special gratitude goes to our collaboration partners of the Hospital Authority who have been working with the Board hand in hand for the well-being of OD sufferers.

Education & Publicity

“Prevention is better than cure”. Pursuing our time-honoured mission since the Board’s establishment, we spare no effort in providing and urging protection to workers engaged in noisy occupations in Hong Kong. Regarding the education and publicity activities provided to employees at noisy workplaces, we provide them with worksite safety educational talks and mobile audiometric screening services for their better understanding of individual hearing health. In the year under review, the Board continued to arrange the mobile audiometric bus and audiologists to provide complimentary audiometric screening and assessments for workers at various worksites when the circumstances complied with the anti-epidemic requirements.

Rehabilitation Service

Aiming at providing suitable hearing assistive devices (“HAD”) to OD persons as well as helping them overcome hearing impairment, the Board also provides a “HAD Financial Assistance Scheme” which has been well received by the users concerned. In the year, we received 845 applications for financing their expenses incurred in purchasing, repairing and replacing HAD, of which 132 were submitted for the first time. During the same period, the

Board approved 842 applications with a total subsidy of approximately HK\$6.57 million granted to the OD sufferers.

Furthermore, to help OD persons regain confidence in daily work and reintegrate into their social life, the Board's Occupational Deafness Rehabilitation Network (the "ODRN") organises timely programmes to broaden their social circle and increase their interest and skills to communicate with other people. For the year under review, we organised 715 social rehabilitation programmes for OD persons. Given the necessity of complying with the epidemic control measures, the number of large-group social programmes had to be adjusted where around 4 200 participations were recorded including OD persons and their accompanying caregivers. In the hope of helping those in need amid the epidemic, in the year we arranged more caring services amounting to over 400 caring visits to the families of OD persons. In addition, 3 sessions of volunteer and caring ambassador services had been arranged. To all my OD friends, I sincerely hope that you would stay healthy and optimistic to tide over the difficulties with us together amid the epidemic. ODRN staff members are always at your service should there be matters that we could provide assistance.

Finance

On the financial front, in 2021/22 the Board received a total revenue of approximately HK\$55.57 million, which was approximately HK\$5.01 million less than last year's HK\$60.58 million. Moreover, due to a backlog of payments for the OD compensation and HAD Financial Assistance Scheme carried forward from last year as delayed by the epidemic, the total expenditure for 2021/22 reached approximately HK\$82.21 million and thereby a deficit of nearly HK\$27 million for the year was recorded. As the Board's established guiding principle, we shall continue to manage our finances prudently to ensure the long-term financial stability of the Board. Encountering the recent economic and political uncertainties in the global market, we need to review the sustainable investment strategy and manage our financial portfolio with the utmost care during this incredibly difficult time.

Conclusion

This has been a busy year for the Board. As the Board Chairman, I would like to extend my heartfelt appreciation to my fellow members of the Board and its Medical Committee, as well as all staff members for delivering quality work in this challenging year. I would also wish to express my sincere gratitude to our collaboration partners including the Labour Department, Hospital Authority and various occupational safety and health organisations for their unwavering concerted support given throughout the years. Facing ongoing challenges and forging ahead, I am confident that together we shall continue to adhere to our professionalism, and join hands to accomplish remarkable achievements time after time.

Dr TSANG Ho-fai, Thomas

Chairman, Occupational Deafness Compensation Board



新一屆的管理局成員（任期 2021.6.1 至 2024.5.31）及秘書處管理人員
堅守承諾，為有需要的人士提供適切服務。

Board members of the new term (term of service: 2021.6.1-2024.5.31) and managerial staff of the Secretariat
continue our commitment to rendering timely services to those in need.

- | | |
|---------------------------------|---|
| 1. Dr TSANG Ho-fai, Thomas | ODCB Chairman |
| 2. Ms CHEUNG Sui-ki, Debbie | Employer Representative |
| 3. Ms WONG Yeuk-lan, Eliza | Employer Representative |
| 4. Ms LIU Po-chu, Elsie | Employee Representative |
| 5. Ms LAM Hoi-ye, Apple | Employee Representative |
| 6. Dr HO Wai-kuen | ENT Medical Practitioner |
| 7. Dr KWAN Yu | Medical Practitioner of the Hospital Authority |
| 8. Dr WAN Yuen-kong | Occupational Health Consultant, Labour Department |
| 9. Ms WONG Lai-heung, Christina | Senior Labour Officer, Labour Department |
| 10. Ms NG Wai-ying, Erica | ODCB Executive Director |
| 11. Mr CHAN Ying-wai, Alfred | ODCB Director of Operations |

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”)
(2021.4.1–2022.3.31)**



Dr LUK Wai-sing, Albert
ODCB Chairman
(Up to 2021.5.31)



Dr TSANG Ho-fai, Thomas
ODCB Chairman
(From 2021.6.1)



Mrs NGAN NG Yu-ying,
Katherine, MH, JP
Employer Representative
(Up to 2021.5.31)



Mr NG San-wa,
Lawrence, MH
Employer Representative
(Up to 2021.5.31)



Ms CHEUNG Sui-ki, Debbie
Employer Representative
(From 2021.6.1)



Ms WONG Yeuk-lan, Eliza
Employer Representative
(From 2021.6.1)



Ms LIU Po-chu, Elsie
Employee Representative



Mr WONG Ping, MH
Employee Representative
(Up to 2021.5.31)



Ms LAM Hoi-ye, Apple
Employee Representative
(From 2021.6.1)



Dr FOK Pui-chu, Joan
Medical Practitioner
Hospital Authority
(Up to 2021.5.31)



Dr KWAN Yu
Medical Practitioner
Hospital Authority
(From 2021.6.1)



Dr HO Nga-yi, Fiona
Medical Practitioner
(ENT Surgeon)
(Up to 2021.5.31)



Dr HO Wai-kuen
Medical Practitioner
(ENT Surgeon)
(From 2021.6.1)



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 (2021.4.1–2022.3.31)



Dr WAN Yuen-kong
Nominated by
Department of Health



Dr WONG Wai-yeung, Eddy
Nominated by
Hospital Authority



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)

OTHER COMMITTEES OF THE BOARD

(List of membership as at 2022.3.31)

Administrative Affairs Committee

Chairperson: Dr TSANG Ho-fai, Thomas
Members: Ms CHEUNG Sui-ki, Debbie (Representing Employers)
Ms WONG Yeuk-lan, Eliza (Representing Employers)
Ms LIU Po-chu, Elsie (Representing Employees)
Ms LAM Hoi-ye, Apple (Representing Employees)
Ms WONG Lai-heung, Christina (Senior Labour Officer, Labour Department)

Education and Publicity Committee

Chairperson: Ms LIU Po-chu, Elsie
Members: Ms WONG Yeuk-lan, Eliza (Representing Employers)
Ms LAM Hoi-ye, Apple (Representing Employees)

Finance and Investment Committee

Chairperson: Dr TSANG Ho-fai, Thomas
Members: Ms CHEUNG Sui-ki, Debbie (Representing Employers)
Ms WONG Yeuk-lan, Eliza (Representing Employers)
Ms LIU Po-chu, Elsie (Representing Employees)
Ms LAM Hoi-ye, Apple (Representing Employees)
Dr ZHANG Haito (Co-opted Member)

Labour Group Activities Sponsorship Programme Committee

Chairperson: Ms WONG Yeuk-lan, Eliza
Members: Ms CHEUNG Sui-ki, Debbie (Representing Employers)
Ms LAM Hoi-ye, Apple (Representing Employees)
Ms WONG Lai-heung, Christina (Senior Labour Officer, Labour Department)

Rehabilitation Services Committee

Chairperson: Dr TSANG Ho-fai, Thomas
Members: Ms CHEUNG Sui-ki, Debbie (Representing Employers)
Ms LIU Po-chu, Elsie (Representing Employees)
Dr HO Wai-kuen (Medical Practitioner, ENT Surgeon,)
Dr KWAN Yu (Medical Practitioner, Hospital Authority)
Ms WONG Lai-heung, Christina (Senior Labour Officer, Labour Department)

Research Committee

Chairperson: Dr HO Wai-kuen
Members: Dr KWAN Yu (Medical Practitioner, Hospital Authority)
Dr WAN Yuen-kong (Occupational Health Consultant, Labour Department)

APPLICATION AND DETERMINATION FOR 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 a 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. Requirements and calculation methods for the Occupational Deafness Compensation Scheme are given in *Appendix 1*.

Working in line with the Government to avoid the risk of the spread of infectious diseases in Hong Kong, the medical examinations and hearing tests for applicants for OD compensation provided by the Ear, Nose & Throat (“ENT”) specialist clinic and the hearing clinic collaborating with the Board had been suspended from 14 February to 31 May 2022 when the city entered the fifth wave of the epidemic. As such, the processing of some compensation applications was delayed given the restrictions imposed by the city-wide epidemic prevention measures.

Applications Received

For the year under review, the Board received a total of 773 applications for compensation, including 646 cases of first-time (*Figure 1*) and 126 cases of further application (*Figure 2*), as well as one previously refused application for which the applicant was suffering from monaural hearing loss only. 506 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\$54.93 million was approved for 410 first-time and 95 further applications for compensation, as well as one previously refused application for which the applicant was suffering from monaural hearing loss only. On condition 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 resume and increase the medical examination and hearing test services provided in relevant clinics in the year. Thanks to our collaboration partners of the Hospital Authority and the Speech, Language and Hearing Clinic of the Hong Kong University who worked with the Board dedicatedly to resume services concerned at the earliest possibility.



管理局主席曾浩輝醫生（右五）及一眾職員探訪位於伊利沙伯醫院的聽力中心。耳鼻喉科部門主管朱進昌醫生（左五）及九龍中聯網聽力學統籌專員，聽力學家黃志明先生（右四）歡迎到訪團隊並解釋日常醫療檢驗及聽力檢測服務的運作。

ODCB Chairman Dr Thomas Tsang (5th from right) and staff members visited the Audiology Centre located at the Queen Elizabeth Hospital. Chief of Services (ENT) Dr Chu Tsun-cheong (5th from left), and Kowloon Central Cluster Coordinator (Audiology) Audiologist Mr Eddie Wong (4th from right) warmly received the group and elaborated the daily operations of their medical examination and hearing test services.

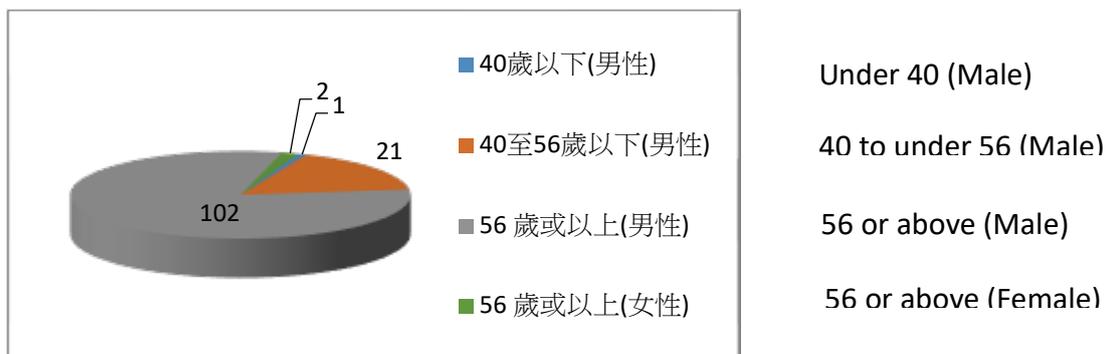
Figure 1: Profile of Applicants by Age and Gender (First-time Compensation)

Age	Applicants (Male)	Applicants (Female)	Total Number of Applicants	Percentage
Under 40	42	0	42	6.50%
40 to under 56	218	7	225	34.83%
56 or above	374	5	379	58.67%
Total:	634	12	646	



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

Age	Applicants (Male)	Applicants (Female)	Total Number of Applicants	Percentage
Under 40	1	0	1	0.79%
40 to under 56	21	0	21	16.67%
56 or above	102	2	104	82.54%
Total:	124	2	126	



For the year under review, the Board received 646 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 (64.7%). The next largest group involved those who worked near internal combustion engines or turbines or pressurised fuel burners or jet engines (20.1%), 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 (5.1%). 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 126 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 (44.4%), 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 (24.6%) and the others who worked near internal combustion engines or turbines or pressurised fuel burners or jet engines (17.5%). A set of the occupational profiles of the applicants who applied for further OD compensation is given in *Appendix 3*.

Applications Processed

For the year under review, the Board approved 506 applications with a total compensation amount of HK\$54,931,987¹. 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	410	45,683,904.47
• Further compensation	95	9,163,515.36
• Compensation for cases that were previously refused owing to monaural hearing loss	1	84,567.60
Total:	506	54,931,987.43

Regarding these 410 applicants who successfully received compensation for the first time, more than half (70.0%) suffered a hearing loss of less than 50dB in the better ear (*Figure 3*). The majority (92.9%) of them suffered from a permanent incapacity of not greater than 20%. The average amount of compensation awarded was HK\$111,424 (*Figure 4*).

On the other hand, for the 95 applicants who successfully received further compensation, a majority (74.7%) of them suffered a hearing loss of less than 60dB in the better ear (*Figure 5*). A large majority (97.9%) 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\$96,458 (*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 2021/22, the Board approved 506 applications at a total compensation amount of HK\$54,931,987. Nevertheless, the Board had processed 9 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\$54,510,365.

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

Hearing Level (dB)	Better Ear	Worse Ear
<40	121	N.A.
40 – 49	166	163
50 – 59	85	146
60 – 69	28	59
70 – 79	8	18
80 – 89	2	11
90 or above	0	13
Total:	410	410

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

Percentage of Incapacity	No. of Cases	Total Payment (HK\$)
0.5%	72	591,805
1%-4.5%	117	3,767,148
5%-10%	108	11,776,533
11%-20%	84	17,225,428
21%-30%	21	8,142,809
31%-40%	6	2,999,874
41%-50%	1	697,454
51%-60%	1	482,853
Total:	410	45,683,904
Average Compensation Paid:		111,424

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

Hearing Level (dB)	Better Ear	Worse Ear
<40	3	N.A.
40 – 49	25	10
50 – 59	43	33
60 – 69	19	35
70 – 79	3	11
80 – 89	1	2
90 or above	1	4
Total:	95	95

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

Additional Percentage of Incapacity	No. of Cases	Total Payment (HK\$)
0.5%	5	31,463
1%-4.5%	30	1,283,675
5%-10.5%	40	3,701,597
11%-20.5%	18	3,632,405
21%-30.5%	2	514,375
31%-40.5%	0	N.A.
41%-50.5%	0	N.A.
51%-59.5%	0	N.A.
Total:	95	9,163,515
Average Compensation Paid:		96,458

Regarding the 246 applications for compensation for the first time being refused during the year under review, 221 applications (89.8%) were due to failure to meet the hearing loss requirements, 23 applications (9.4%) failed to meet the occupational requirements, whereas 2 applicants (0.8%) did not attend the hearing assessment. On the other hand, 38 applicants had withdrawn the applications by themselves.

Concerning the 70 applications for further compensation being refused, 67 of them (95.7%) could not meet the hearing loss requirements, whereas 3 application (4.3%) failed to meet the occupational requirements. On the other hand, 5 applicants had withdrawn the applications by themselves (*Figure 7*).

Figure 7: Breakdown of Applications Processed in the Year 2021/22

	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	410	95	1
Failed to meet hearing loss requirements	221	67	0
Failed to meet occupational requirements	23	3	0
Failed to attend hearing assessment	2	0	0
Withdrawn	38	5	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\$20,160 for each eligible person. The aggregate amount of financial assistance given to each eligible person under the scheme shall not exceed HK\$83,830.

In 2021/22, the Board received 845 applications for financing HAD including 132 first-time submissions. In the year, the Board approved 842 applications with a total financing amount of approximately HK\$6.57 million paid. Acquisition of hearing aids was the major claim which amounted to 91.6% of the total expenses of the scheme.

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

“Prevention is better than cure”. 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 2021/22, the Board continued to join hands with other major occupational safety and health promotion organisations to co-organise several annual large-scale campaigns, including **The Hearing Conservation Best Practices Award** collaborated with the Occupational Safety and Health Council in recognition of organisations that were committed to promoting effective measures to protect the hearing of workers. We also jointly organised with the Labour Department and other occupational safety promotion organisations **The Construction Safety Promotional Campaign 2021** targeting on the construction industry workers to convey the important message of hearing conservation.

On the other hand, since the catering industry had been adversely affected by the epidemic, the Labour Department jointed hands with the Occupational Safety and Health Council, the Board and various catering industrial groups to organise **The Catering Industry Safety Inspiration Programme 2021/22** and introduce a safety slogan competition. This special campaign aimed at uniting the catering industry in Hong Kong to overcome the unprecedented challenges and continue to improve the occupational safety and health of the catering industry while fighting the epidemic together.



As for the promotion in the construction industry, given that most construction industry projects had been resumed, the Labour Department once again launched **The Construction Industry Safety Award Scheme 2021/22** so as to further enhance the construction industry’s attention to occupational safety and health. Restricted by the ongoing epidemic, some featured activities such as the award presentation ceremony and sharing forums were held online to avoid the risk of the spread of diseases in the community.



管理局主席曾浩輝醫生(左五)及其他主禮嘉賓參與第 22 屆建造業安全大獎分享會暨頒獎典禮。
 ODCB Chairman Dr Thomas Tsang (5th from left) and other officiating guests participated in the 22nd Construction Safety Award Forum and Award Presentation.



管理局主席曾浩輝醫生(中)頒發獎狀予安全大獎的得獎者。
 ODCB Chairman Dr Thomas Tsang (middle) presented certificates to winners of the Construction Safety Award

Workplace Safety Talks, Roving Exhibitions and Other Reinforcing Publicity

Since the epidemic had hindered the Board's staff members from going to the noisy worksites to conduct face-to-face safety talks for relevant employees, we distributed hearing conservation promotion 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.

In the year, the Board distributed promotional materials to some major contractors and worksites of construction industry in Hong Kong, supporting them in arranging a number of safety induction and training classes for over 2 100 construction workers.



To keep in touch with the public community and remind workers engaged in noisy occupations of the importance of preventing occupational deafness, the Board also arranged a few exhibitions in Tsz Wan Shan, Lei Yue Mun, Choi Wan and Wo Che according to the epidemic prevention and control guidelines when the situation had stabilised.



In addition, we also placed street banners of “Protect Hearing for Noisy Occupations” at various districts covering Kwun Tong, Wong Tai Sin, Kowloon City, Yau Tsim Mong, Sham Shui Po, Kwai Tsing, Tsuen Wan, Sha Tin, Tai Po, Tuen Mun, Yuen Long, Tin Shui Wai and North District as another channel to reinforce commuters’ awareness of the importance of hearing conservation.



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 **10** 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 Kwun Tong, Sau Mau Ping, Tseung Kwan O, Kai Tak, Sha Tin, Sheung Shui, Fanling, Tuen Mun and Tung Chung.



聽覺篩查服務備受投身於噪音工作之員工及管理人員歡迎。

The audiometric screening service was well received by workers and administrators engaged in noisy occupations.

Labour Group Activities Sponsorship Scheme

In the second half of 2021 when the epidemic control was relaxed, a number of labour groups had submitted their sponsorship requests for which the Board approved about 20 applications for activities promoting the message of hearing conservation among the labour group members. In addition, the Board also sponsored two promotion activities conducted by the labour groups at their noisy worksites that successfully conveyed the important message of hearing conservation to around 1 400 concrete truck drivers and plant workers.



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 on demand. All activities are organised under the name of ODRN, a set-up formed by the Board and its partnering organisations. The mission of the rehabilitation programmes is to help OD sufferers overcome their handicaps brought about by the ailment.

Aural Rehabilitation Programmes



The objective of aural rehabilitation is to help OD persons overcome the hearing impairment through the provision of suitable HAD and development of effective communication skills. In the year, we recorded a total of 463 visits to the ODCB Audiology Room where personalised aural rehabilitation assessment and tinnitus counselling services were rendered by the Board's audiologist.

An overall trend revealed that OD persons showed more eagerness in seeking help in acquiring hearing aids. The reported reasons of their hearing being affected including the frequent use of surgical masks due to the raging epidemic period had covered up most of the facial cues and lip movements that are crucial for listening and comprehension; while the setup of plastic partitions in restaurants and many other social venues also created unnecessary reverberation of sounds. As such, the Board shall be more proactive in providing communication strategies to the OD sufferers as well as their family members in challenging listening environments with the aim of improving their communication effectiveness.



In the year under review, a series of three professional pre-fitting video briefings were being sent via short message service (SMS) by the Board to a total of 69 newly compensated OD persons aiming to introduce the HAD Financial Assistance Scheme, hearing aid fitting and follow-up procedures, as well as the hearing aid and tinnitus masker trial schemes. The Board also provided individual consultation services to OD person 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 realistic 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 715 social rehabilitation activities in 2021/22 with the aim of broadening their social circle and increasing their interest and skills to communicate with other people. ODRN staff members always tried their best to reach out to all OD persons through different channels, hoping to provide them with appropriate and timely assistance.

As personal safety and health are the Board's most predominate considerations, under the predicament of epidemic outbreak in the community, we had adjusted the format and number of certain activities. All in all, in the year we recorded about 4 235 participations including OD persons and their accompanying caregivers. As some outdoor activities were forced to be cancelled due to the epidemic, in 2021/22 we arranged more caring services amounting to around 2 720 greeting calls and 410 caring visits, in the hope of contacting and helping those in need promptly. In the year, ODRN also arranged 3 sessions of volunteer and caring ambassador services in the hope of tiding over the difficulties with all members.

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



郊外遊蹤 Outskirt Exploration



心靈綠洲 Healthy Gardening



長者保健運動 Elderly Exercise



舒筋活絡治療 Stretching Therapy



書法班 Calligraphy Class



皮藝製作 Leather Crafting Workshop



認識手語 Sign Learning



水彩畫班 Watercolour Painting 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 30 to 54, which comprise the statement of financial position as at 31 March 2022 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 2022, 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").

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 members of 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 members of the Board for the financial statements

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

In preparing the financial statements, the members of the Board are responsible for assessing the 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 members of the Board either intend to liquidate the Board or to cease operations, or have no realistic alternative but to do so.

The members of the Board are 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 members of the Board.
- Conclude on the appropriateness of the Board members' 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 members of 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, 8 November 2022

Lo Charbon
Practising Certificate Number P06029

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

	<u>Note</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
INCOME			
Distribution from Employees' Compensation			
Insurance Levies Management Board	4	50,127,888	50,671,769
Government payments	5	2,860,956	2,764,171
Service fee income		640,000	640,000
Interest income		1,875,175	6,507,875
Dividend income		61,993	-
		<u>55,566,012</u>	<u>60,583,815</u>
OTHER NET LOSSES			
Fair value change of financial assets at fair value through profit or loss		(314,044)	-
EXPENDITURE			
Occupational deafness compensation	6	54,510,365	6,996,407
Hearing assistive devices' financial assistance expenses	7	6,566,827	3,828,900
Hearing assessment expenses		2,061,410	679,583
Promotional and publicity programmes		4,095,229	3,472,674
Rehabilitation programmes		1,210,778	4,502,203
Administrative expenses	8	13,512,412	13,231,618
Rent, rates and management fee		250,354	253,912
		<u>(82,207,375)</u>	<u>(32,965,297)</u>
(DEFICIT)/SURPLUS AND TOTAL COMPREHENSIVE (EXPENDITURE)/INCOME FROM OPERATIONS			
		(26,955,407)	27,618,518
FINANCE COST			
Interest element of lease rentals		<u>(1,512)</u>	<u>(1,786)</u>
(DEFICIT)/SURPLUS AND TOTAL COMPREHENSIVE (EXPENDITURE)/INCOME FOR THE YEAR			
		<u>(26,956,919)</u>	<u>27,616,732</u>

The notes on pages 34 to 54 form part of these financial statements.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	<u>Note</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	9	44,533,130	45,550,797
Intangible assets	10	61,667	85,000
		44,594,797	45,635,797
CURRENT ASSETS			
Financial assets at fair value through profit or loss	11	1,645,965	-
Prepayment and deposits		64,504	64,504
Interest receivable		338,329	420,606
Time deposits with original maturities over three months		569,300,000	602,000,000
Cash and cash equivalents	12	16,658,026	12,542,392
		588,006,824	615,027,502
CURRENT LIABILITIES			
Accrued charges		1,543,165	2,577,436
Lease liabilities	13	23,879	70,488
		<u>1,567,044</u>	<u>2,647,924</u>
NET CURRENT ASSETS		<u>586,439,780</u>	<u>612,379,578</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		631,034,577	658,015,375
NON-CURRENT LIABILITY			
Lease liabilities	13	-	23,879
NET ASSETS		<u>631,034,577</u>	<u>657,991,496</u>
RETAINED SURPLUS		<u>631,034,577</u>	<u>657,991,496</u>

Approved and authorised for issue by the Board on 8 November 2022.

On behalf of the Board

Dr. Tsang Ho-fai, Thomas
Chairman

The notes on pages 34 to 54 form part of these financial statements.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Retained <u>surplus</u> HK\$
Balance as at 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 and 1 April 2021	657,991,496
Deficit and total comprehensive expenditure for the year	<u>(26,956,919)</u>
Balance as at 31 March 2022	<u>631,034,577</u>

The notes on pages 34 to 54 form part of these financial statements.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	<u>2022</u> HK\$	<u>2021</u> HK\$
OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(26,956,919)	27,616,732
Adjustments for:		
Interest income	(1,875,175)	(6,507,875)
Fair value change of financial assets at fair value through profit or loss	314,044	-
Depreciation charge	1,173,025	1,142,276
Finance cost	1,512	1,786
Amortisation	68,333	96,667
	<u>(27,275,180)</u>	<u>22,349,586</u>
Changes in working capital		
Decrease in account receivable	-	44,476
(Decrease)/increase in accrued charges	<u>(1,034,271)</u>	<u>241,704</u>
CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(28,309,451)	22,635,766
INVESTING ACTIVITIES		
Decrease/(increase) in time deposits with original maturities over three months	32,700,000	(32,400,000)
Interest received	1,957,452	9,470,694
Payment for the purchase of property, plant and equipment	(155,358)	(19,256)
Payment for the purchase of intangible assets	(45,000)	(95,000)
Payment for the purchase of financial assets at fair value through profit or loss	(1,960,009)	-
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	32,497,085	(23,043,562)
FINANCING ACTIVITIES		
Capital element of lease rentals paid	(70,488)	(70,398)
Interest element of lease rentals paid	(1,512)	(1,786)
NET CASH USED IN FINANCING ACTIVITIES	<u>(72,000)</u>	<u>(72,184)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,115,634	(479,980)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>12,542,392</u>	<u>13,022,372</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>16,658,026</u>	<u>12,542,392</u>

The notes on pages 34 to 54 form part of these financial statements.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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. 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 except that the financial assets at fair value through profit or loss are stated at their fair value explained in the accounting policies set out in note 2(f).

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 17.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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(g)(ii)).

- right-of-use assets arising from leases over leasehold properties where 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	shorter of the unexpired term of
lease and 50 years	
IT and AV equipment	3 years
Rehabilitation service equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Right of use assets	over the unexpired term of lease

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.

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.

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 of intangible assets with finite useful lives is recognised in income and expenditure account 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.

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 2022**

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(g)(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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Other investments in equity securities

The Board's policies for investments in equity securities are as follows:

Investments in equity securities are recognised / derecognised on the date the Board commits to purchase / sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investment measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in income and expenditure account. For an explanation of how the Board determines fair value of financial instruments, see note 15(d). These investments are subsequently accounted for as follows, depending on their classification.

Equity investments

An investment in equity securities is classified as fair value through profit or loss (FVPL) unless the equity investment is not held for trading purposes and on initial recognition of the investment the Board makes an irrevocable election to designate the investment at fair value through other comprehensive income (FVOCI) (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained surplus. It is not recycled through income and expenditure account. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in income and expenditure account as other income in accordance with the policy set out in note 2(m)(v).

g) 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, time deposits with original maturities over three months and other receivables).

Other financial assets measured at fair value including equity securities measured at FVPL 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).

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)

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

- fixed-rate financial assets 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments (Continued)

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 income and expenditure account. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) 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(m)(iv) 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 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) 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 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) 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(g)(i)).

i) 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 invoice amounts.

j) 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.

k) 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.

l) 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 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) 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 follows:

i) 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.

ii) Government payments

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

iii) Service fee income

Service fee income is recognised when the services are rendered.

iv) 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(g)(i)).

v) Dividends

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. APPLICATION OF AMENDMENTS TO HKFRSs

In the current year, the Board has applied 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 HKFRS 9,
HKAS 39, HKFRS 7, HKFRS
4 and HKFRS 16

Interest rate benchmark reform - phase 2

Amendment to HKFRS 16

Covid-19-related rent concessions beyond 30 June 2021

The application of 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 2021 and 2022 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 payments to the Board in respect of the employees engaged in the civil service.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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, and shall not exceed HK\$83,830 per clamant on and after 15 April 2021.

Until 31 March 2022, the unused amount granted for the Hearing Assistive Devices’ Financial Assistance Scheme was approximately HK\$341,421,000 (2021: HK\$295,348,000).

8. ADMINISTRATIVE EXPENSES

	<u>Note</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
Auditor’s remuneration:			
- Audit services		67,500	64,500
- Other services		2,740	9,870
Depreciation charge	9	1,173,025	1,142,276
Amortisation	10	68,333	96,667
General administrative expenses		926,893	834,930
Staff costs			
- Salaries and other benefits		10,564,627	10,375,101
- Retirement benefit		709,294	708,274
		<u>13,512,412</u>	<u>13,231,618</u>

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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 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 and 1 April 2021	51,610,839	235,444	244,997	46,596	22,860	6,868	52,167,604
Additions	-	-	110,069	-	4,328	40,961	155,358
At 31 March 2022	51,610,839	235,444	355,066	46,596	27,188	47,829	52,322,962
Accumulated depreciation							
At 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 and 1 April 2021	6,193,302	141,642	222,061	46,596	11,058	2,148	6,616,807
Charge for the year	1,032,217	70,351	55,453	-	5,438	9,566	1,173,025
At 31 March 2022	7,225,519	211,993	277,514	46,596	16,496	11,714	7,789,832
Carrying amounts							
At 31 March 2022	44,385,320	23,451	77,552	-	10,692	36,115	44,533,130
At 31 March 2021	45,417,537	93,802	22,936	-	11,802	4,720	45,550,797

Right-of-use assets

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

	Note	2022 HK\$	2021 HK\$
Ownership interests in leasehold land and buildings held for own use, carried at depreciated cost in Hong Kong	(i)	44,385,320	45,417,537
Properties leased for own use, carried at depreciated cost in Hong Kong	(ii)	23,451	93,802
		<u>44,408,771</u>	<u>45,511,339</u>

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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>2022</u> HK\$	<u>2021</u> HK\$
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>70,351</u>	<u>70,723</u>
	<u>1,102,568</u>	<u>1,102,940</u>
Interest on lease liabilities	<u>1,512</u>	<u>1,786</u>

Note:

During the year ended 31 March 2022, there were no additions to right-of-use assets. The additions to right-of-use assets of HK\$140,886 during the year ended 31 March 2021 primarily related to the capitalised lease payable in respect of the modification of lease under the renewal of tenancy agreement.

The maturity analysis of lease liabilities is set out in note 13.

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

The Board holds commercial 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 2022**

10. INTANGIBLE ASSETS

	<u>System development and modification</u> HK\$
Cost	
At 1 April 2020	384,025
Additions	<u>95,000</u>
At 31 March 2021 and 1 April 2021	479,025
Additions	<u>45,000</u>
At 31 March 2022	<u>524,025</u>
Accumulated amortisation	
At 1 April 2020	297,358
Charge for the year	<u>96,667</u>
At 31 March 2021 and 1 April 2021	394,025
Charge for the year	<u>68,333</u>
At 31 March 2022	<u>462,358</u>
Carrying amounts	
At 31 March 2022	<u>61,667</u>
At 31 March 2021	<u>85,000</u>

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

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> HK\$	<u>2021</u> HK\$
Investments held for trading:		
Equity securities listed in Hong Kong	<u>1,645,965</u>	<u>-</u>

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

a) Cash and cash equivalents comprise:

	<u>2022</u> HK\$	<u>2021</u> HK\$
Cash at banks and on hand	<u>16,658,026</u>	<u>12,542,392</u>
Cash and cash equivalents in the statement of financial position and statement of cash flows	<u>16,658,026</u>	<u>12,542,392</u>

Cash at banks earns interest at floating rate based on daily bank deposit rates.

b) Reconciliation of liabilities arising from financing activity:

The table below details changes in the Board's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Board's statement of cash flows as cash flows from financing activities.

	<u>Lease liabilities</u>	
	<u>2022</u> HK\$	<u>2021</u> HK\$
At 1 April	94,367	23,879
Changes from financing cash flows:		
Capital element of lease rentals paid	(70,488)	(70,398)
Interest element of lease rentals paid	(1,512)	(1,786)
	(72,000)	(72,184)
Other changes:		
Modification of lease	-	140,886
Interest expenses	1,512	1,786
	<u>1,512</u>	<u>142,672</u>
At 31 March	<u>23,879</u>	<u>94,367</u>

c) Total cash outflow for leases:

Amounts included in the statement of cash flows for leases comprise the following:

	<u>2022</u> HK\$	<u>2021</u> HK\$
Within financing cash flows	<u>72,000</u>	<u>72,184</u>

These amounts relate to the lease rentals paid.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. LEASE LIABILITIES

At 31 March 2022, the lease liabilities were repayable as follows:

	<u>2022</u> HK\$	<u>2021</u> HK\$
Within 1 year	23,879	70,488
After 1 year but within 2 years	-	23,879
	<u>23,879</u>	<u>94,367</u>

14. TAXATION

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

15. 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. The Board is also exposed to equity price risk arising from its equity investments in other entities.

a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Board. The Board's credit risk is primarily attributable to time deposits and cash and cash equivalents. The Board's exposure to credit risk arising from time deposits and cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

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.

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

i) Interest rate profile

	<u>Effective interest rate</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
Time deposits, fixed rate	0.24% to 1% (2021: 0.24% to 0.78%)	569,300,000	602,000,000
Cash and cash equivalents, variable rate	0.001% (2021: 0.001%)	16,658,026	12,542,392
		<u>585,958,026</u>	<u>614,542,392</u>

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

b) Interest rate risk (Continued)

ii) Sensitivity analysis

As at 31 March 2022, 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\$33,316 (2021: HK\$25,085).

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 variable rate 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 2021.

c) Equity price risk

The Board is exposed to equity price changes arising from equity investments held for trading purposes. All of these investments are listed.

The Board's listed investments are listed on the Stock Exchange of Hong Kong. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the index and other industry indicators, as well as the Board's liquidity needs. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Board.

d) Fair value measurement

The Board considers that the carrying amount of the Board's financial instruments carried at amortised cost are not materially different from their fair value because of the immediate or short term maturity of these financial instruments.

The following table provides an analysis of financial instruments that are measured at fair value at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

d) Fair value measurement (Continued)

- Level 3 fair value measurements are those derived from techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

	2022			<u>Total</u> HK\$
	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	
Recurring fair value measurement				
Held for trading - listed equity securities	<u>1,645,965</u>	<u>-</u>	<u>-</u>	<u>1,645,965</u>

There were no transfers between instruments in Level 1, Level 2 and Level 3 during the years 2021 and 2022.

16. CAPITAL MANAGEMENT

Capital of the Board comprises retained 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.

17. 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.

17. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued)

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 smallest group of cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established. Changing the assumptions and estimates, including the discount rate or the growth rate in the cash flow projections, could materially affect the recoverable amount.

18. POSSIBLE IMPACT OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2022

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 2022 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.

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.

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 <i>(Compensation for the first time)</i> x <i>OR</i> Percentage of additional permanent incapacity <i>(Further compensation)</i>
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\$35,600.

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)*	2019/20		2020/21		2021/22	
	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	247	49.7	177	51.3	418	64.7
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	153	30.8	87	25.2	130	20.1
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	37	7.5	37	10.7	33	5.1
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	33	6.6	23	6.7	29	4.5
使用高速捲筒紙柯式印刷機 (24) Using high speed web-fed offset printing machines	9	1.8	13	3.8	28	4.3
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			3	0.4
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	5	1.0	5	1.4	2	0.3
使用紙張摺疊機 (23) Using paper folding machines	2	0.4			1	0.2
在紡織製造業工作 (5) Working in textile manufacturing with weaving machines			1	0.3	1	0.2
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	0.2
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	0.2	1	0.3		
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		
在噴砂打磨作業的附近工作 (11) Working near abrasive blasting operations	8	1.6				
使用壓碎塑料的機器 (14) Using machines engaged in granulating of plastic materials	1	0.2				
總數: Total:	497	100.0	345	100.0	646	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

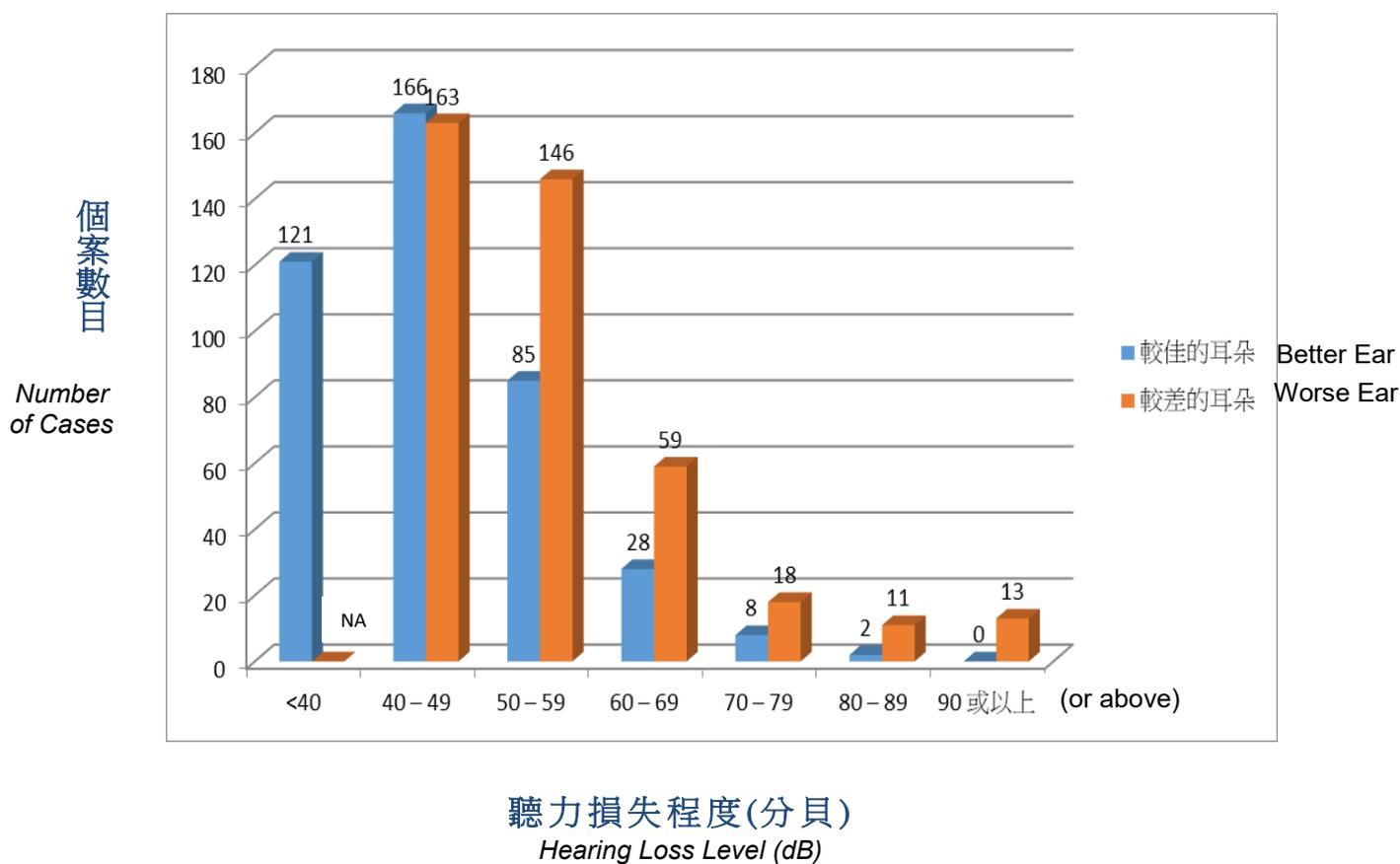
噪音工作/Noisy Occupation (類別/Type)*	2019/20		2020/21		2021/22	
	數目 Number	(%)	數目 Number	(%)	數目 Number	(%)
對石塊、混凝土或大理石使用機動研磨、開鑿、切割或衝擊工具 (3) Using power-driven grinding, chiselling, cutting or percussive tools on rocks, concrete or marble	29	28.7	30	35.7	56	44.4
對金屬或金屬坯段或鋼錠使用機動研磨工具 (1) Using power-driven grinding tools on metal or on billets of metal or blooms	25	24.8	16	19.0	31	24.6
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	32	31.7	30	35.7	22	17.5
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	5	4.9	2	2.4	7	5.5
使用高速捲筒紙柯式印刷機 (24) Using high speed web-fed offset printing machines					5	4.0
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	5	4.9	3	3.6	3	2.4
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	1	1.0	1	1.2	1	0.8
使用擠出塑料的機器 (18) Using machines engaged in extruding of plastic materials					1	0.8
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		
在噴砂打磨作業的附近工作 (11) Working near abrasive blasting operations	3	3.0				
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				
總數: Total:	101	100.0	84	100.0	126	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 (2021/22年度)

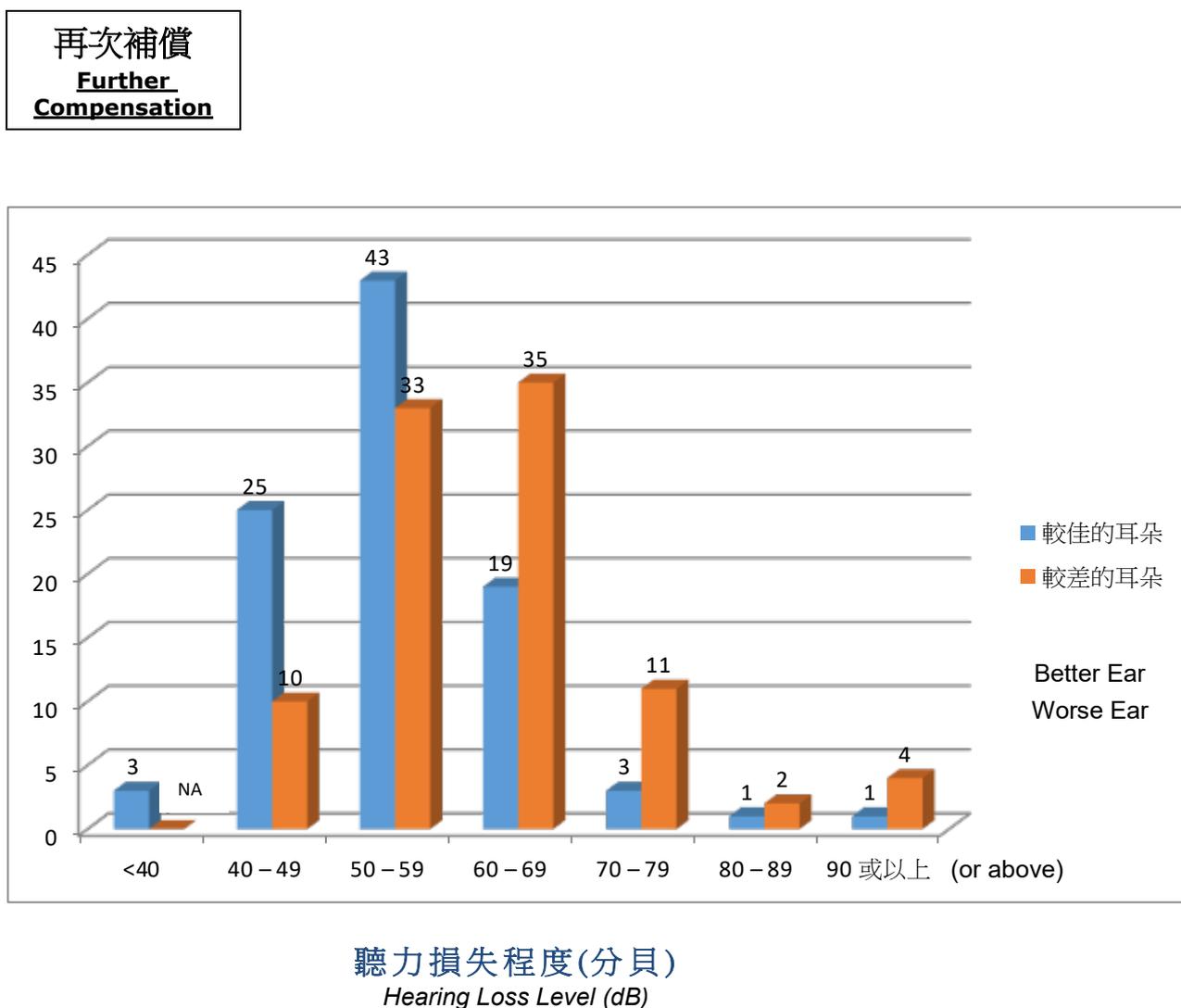
Analysis of Approved Cases of First-time Compensation by Level of Hearing Loss (Year 2021/22)

首次補償
First-time
Compensation



獲取再次補償者的聽力損失程度分析圖 (2021/22年度)

Analysis of Approved Cases of Further Compensation by Level of Hearing Loss (Year 2021/22)

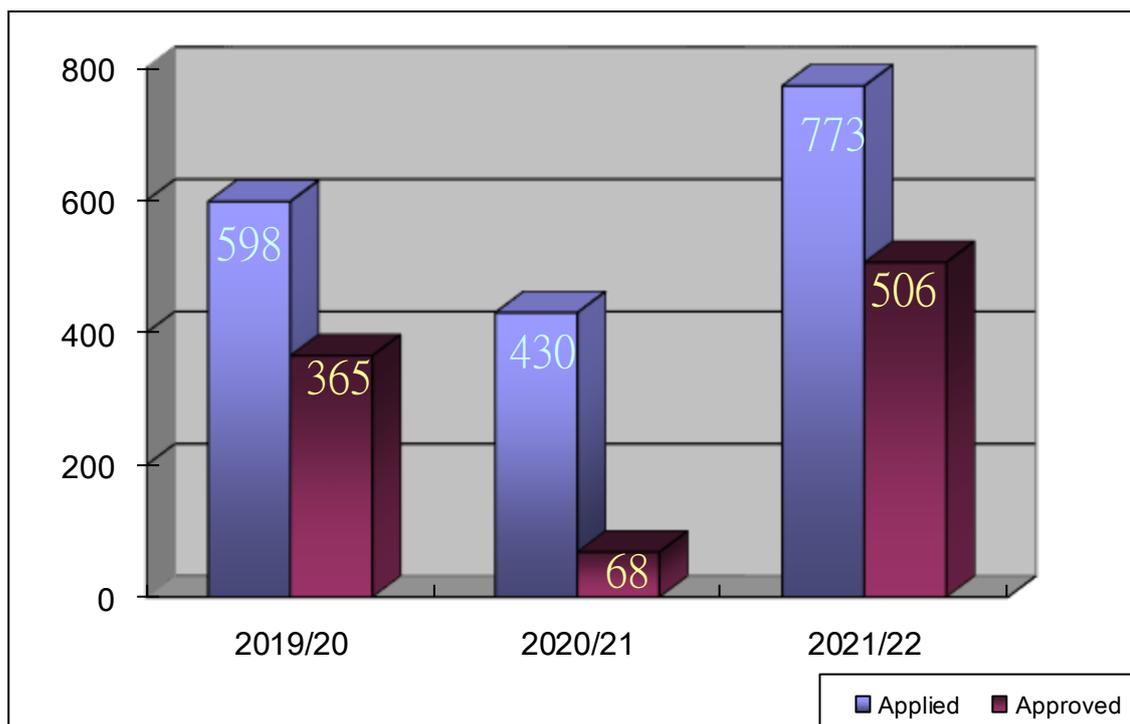


最近3年之職業性失聰補償申請及獲批個案數字

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\$)
2019/20	598	365	\$35,034,162
2020/21	430	68	\$7,049,877
2021/22	773	506	\$54,931,987