

ASSOCIATION FOR ENGINEERING AND  
MEDICAL VOLUNTEER SERVICES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

CONTENT

	PAGES
REPORT OF THE COMMITTEE MEMBERS	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 5
STATEMENT OF COMPREHENSIVE INCOME	6 - 7
STATEMENT OF FINANCIAL POSITION	8 - 9
STATEMENT OF CHANGES IN FUNDS	10
STATEMENTS OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 28

ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

REPORT OF THE COMMITTEE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2023

The members of the Executive Committee have pleasure in submitting their annual financial report and the audited financial statements of the Association for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The Association is an incorporated voluntary and non-profit making body. Its principal activity is provision of engineering and medical professional services to needy individuals and organizations.

RESULTS AND APPROPRIATIONS

The results for the year ended 31 March 2023 and the state of affairs of the Association at that date are set out in the financial statements on pages 6 to 28.

PLANT AND EQUIPMENT

Movements in plant and equipment during the year are set out in Note 4 to the financial statements.

RESERVES

Details of movements in the reserve accounts of the Association during the year are set out in Note 6 to 28 to the financial statements.

COMMITTEE MEMBERS

The committee members of the Association during the year were as follows:-

Mr Law Chit Wai  
Dr Chan Hok Sum  
Mr Chan Yuk Keung  
Mr Cheung Kin Man  
Ms Hong Wai Chi  
Mr Fong Wai Lap  
Mr Leung Kwok Fai  
Ms Cheung Kam Ling Margaret  
Mr Kwan Fu Kei, Larry  
Ms Kwan Tak Ying, Estella

In accordance with article 34 of the Association's Articles of Association, all committee members will retire and, being eligible, offer themselves for re-election biennially at the annual general meeting.

ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

REPORT OF THE COMMITTEE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2023

- Continued -

COMMITTEE MEMBERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE ASSOCIATION'S OPERATION

No transactions, arrangements and contracts of significance in relation to the Association's operation to which the Association was a party and in which a committee member of the Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the operation of the Association were entered into or existed during the year.

AUDITORS

The financial statements have been audited by Messrs. Chan & Man, Certified Public Accountants (Practising), who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Executive Committee



Mr Cheung Kin Man, Vice Chairman

Dated: **27 OCT 2023**  
Hong Kong



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES  
(Incorporated in Hong Kong and limited by guarantee)

OPINION

We have audited the financial statements of Association For Engineering And Medical Volunteer Services (the "Association") set out on pages 6 to 29, which comprise the statement of financial position as at 31 March 2023, statement of comprehensive income, statement of changes in funds and 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 Association as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association 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.

OTHER INFORMATION

The committee members are responsible for the other information. The other information comprises the information included in the Report of the Committee Members, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES  
(Incorporated in Hong Kong and limited by guarantee)

- Continued -

RESPONSIBILITIES OF COMMITTEE MEMBERS FOR THE FINANCIAL STATEMENTS

The committee members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the committee members 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 committee members are responsible for assessing the Association'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 committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 auditors' report that includes our opinion. 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES  
(Incorporated in Hong Kong and limited by guarantee)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

-- Continued --

- Conclude on the appropriateness of the committee 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association 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 committee members 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.



Certified Public Accountants  
(Practising)

Hong Kong

Date: 27 OCT 2023

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023

	<u>2023</u> HK\$	<u>2022</u> HK\$
INCOME		
Designated donations:		
Others	2,319,769	601,200
Subventions:		
Hong Kong Jockey Club Charities Trust	2,168,163	2,208,400
Community Chest	2,511,600	1,761,600
Social Welfare Department - HKSAR Government	25,844,276	25,526,576
- Time Limited Post Grant	71,500	130,800
- COVID 19	20,000	-
- Lotteries Fund	-	99,500
- Block Grant	425,420	426,600
- Community Care Fund	598,876	545,385
	<u>33,959,604</u>	<u>31,300,061</u>
Subventions from Employees Retraining Board utilized	34,125	28,518
Service income	6,137,373	5,529,072
	<u>40,131,102</u>	<u>36,857,651</u>
OTHER REVENUE		
Interest income	36,135	460
Sundry income	-	9,310
	<u>40,167,237</u>	<u>36,867,421</u>
	-----	-----



## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023

	<u>2023</u> HK\$	<u>2022</u> HK\$
EXPENDITURE		
Salaries	23,858,890	21,332,717
Provident fund contributions and charges	1,533,909	1,851,735
Provision for long service payment	32,402	(7,640)
Programme and services expenses	6,829,976	6,832,927
Repairs and maintenance	469,209	292,658
Printing, postage and stationery	248,995	204,249
Travelling	445,368	309,421
Telephone and fax	143,865	88,152
Electricity and water	502,911	441,665
Insurance	144,692	168,815
Rent and rates	1,897,863	1,832,816
Cleaning	316,188	335,850
Depreciation	413,150	283,388
Advertising	134,717	110,925
General expenses	186,160	213,023
Annual general meeting and dinner	50,873	39,188
Written off of loan to disabled (deceased)	47,130	-
Equipment and uniform	901,381	246,618
Computer expenses	297,450	-
Staff training	133,564	52,409
Transportation	-	129,629
Motor vehicles expense	102,349	90,012
Renovation by Capital Project Fund	1,241,950	-
Audit fee	38,500	38,000
SWD Fund expense	28,000	39,800
LF Fund/I&T Fund expense	88,760	233,583
Block grant expense	421,222	470,293
SWD - COVID-19 expense	80,299	186,107
	(40,589,773)	(35,816,340)
	-----	-----
(DEFICIT)/SURPLUS FOR THE YEAR	(422,536)	1,051,081
	=====	=====

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023

	<u>2023</u> HK\$	<u>2022</u> HK\$
- Continued -		
(DEFICIT)/SURPLUS FOR THE YEAR	(422,536)	1,051,081
TRANSFERS FROM/(TO):		
General Fund	878,261	639,871
Service Foundation Fund	(506,150)	(547,600)
Independent Living Fund	47,130	-
Supported Employment Services	44,183	(413,358)
Jockey Club Desktop Publishing Centre	95,303	(35,951)
Home Care Services	(14,793)	(505,103)
The Endeavor	226,330	(425,188)
Laundry Workshop	(22,534)	(5,234)
Jockey Club Digital Inclusion Centre	14,792	7,117
Electric Wheelchair Repair Clinic and Resource Centre	(104,699)	333,192
EC Farm - Vocational Training and Horticulture Educational Scheme	(14,460)	24,149
Community Care Fund - Pilot Scheme on Home Care and Support for Elderly Persons with Mild Impairment	(245,827)	(120,676)
Social Welfare Department Time-Limited Posts for Elderly and Rehabilitation Services	25,000	(2,300)
ACCUMULATED BALANCE AT END OF YEAR	- =====	- =====

The annexed notes form an integral part of these financial statements

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023

	NOTE	2023 HK\$	2022 HK\$
NON-CURRENT ASSETS			
Loans to disabled	3	72,925	120,485
Plant and equipment	4	236,410	284,492
		<u>309,335</u>	<u>404,977</u>
		-----	-----
CURRENT ASSETS			
Prepayments and other receivables		2,370,663	777,173
Utility deposits		203,830	234,030
Current portion of loans to disabled	3	99,150	103,830
Cash and bank balances		17,377,163	20,420,572
		<u>20,050,806</u>	<u>21,535,605</u>
		-----	-----
CURRENT LIABILITIES			
Accounts payable		989,818	1,042,433
Accruals		38,500	38,000
Receipts in advance		38,404	33,283
		<u>(1,066,722)</u>	<u>(1,113,716)</u>
		-----	-----
NET CURRENT ASSETS		<u>18,984,084</u>	<u>20,421,889</u>
		-----	-----
NON-CURRENT LIABILITIES			
Long service payments obligation	5	(6,595)	(63,183)
		<u>-----</u>	<u>-----</u>
TOTAL ASSETS		<u>19,286,824</u>	<u>20,763,683</u>
		=====	=====

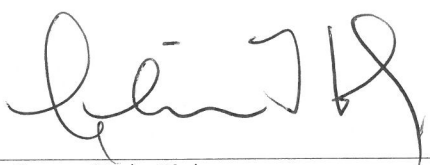
## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023

	NOTE	2023 HK\$	2022 HK\$
- Continued -			
Represented by:			
General Fund	6	-	-
Service Foundation Fund	7	5,390,726	6,124,987
Independent Living Fund	8	2,493,760	2,540,890
Supported Employment Services	9	277,263	277,263
Jockey Club Desktop Publishing Centre	10	(1,878,972)	(1,783,669)
Home Care Services	11	528,150	528,150
The Endeavor	12	57,241	57,241
Laundry workshop	13	103,511	80,977
Social Welfare Department			
Lump Sum Grant Reserve	14	9,500,249	10,823,431
Social Welfare Department Provident Fund	15	1,729,813	1,271,055
Social Welfare Department Central Items	16	142,917	142,917
Social Welfare Department Block Grant	17	221,253	267,922
Social Welfare Department			
Rent and Rates	18	(847,965)	(810,869)
Community-based support projects for Persons			
with disabilities and their families	19	130,686	130,686
Social Welfare Development Fund	20	388,744	388,449
Jockey Club Digital Inclusion Centre	21	(69,924)	(55,133)
Electric Wheelchair Repair Clinic and			
Resource Centre	22	1,399,990	1,295,291
EC Farm - Vocational Training and			
Horticulture Educational Scheme	23	(599,413)	(613,873)
Community Care Fund - Pilot Scheme on			
Home Care and Support for Elderly Persons			
with Mild Impairment	24	318,795	72,968
Time-Limited Posts for Elderly &			
rehabilitation Services	25	-	25,000
TOTAL FUNDS		<u>19,286,824</u>	<u>20,763,683</u>

The financial statements on pages 6 to 28 were approved by the members of Executive Committee on **27 OCT 2023** and were signed on its behalf

  
Mr Cheung Kin Man  
Vice Chairman

  
Ms Hong Wai Chi  
Committee member

The annexed notes form an integral part of these financial statements



## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 31 MARCH 2023

	<u>2023</u> HK\$	<u>2022</u> HK\$
Total equity at 1 April	20,763,683	22,090,727
(Deficit)/Surplus for the year	(422,536)	1,051,081
Refund to Government	(1,054,323)	(2,378,125)
	<hr/>	<hr/>
Total equity at 31 March	19,286,824 =====	20,763,683 =====

The annexed notes form an integral part of these financial statements

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023

	2023 HK\$	2022 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(422,536)	1,051,081
Adjustments for:		
Provision for long service payment	32,402	(7,640)
Interest income	(36,135)	(460)
Depreciation	413,150	283,388
Operating (deficit)/surplus before movements in working capital	(13,119)	1,326,369
Changes in loans to disabled	52,240	163,595
Changes in prepayments and other receivables	(1,593,490)	(65,823)
Changes in utility deposits	30,200	(66,000)
Changes in accounts payable	(52,615)	204,586
Changes in accruals	500	3,500
Changes in receipts in advance	5,121	(5,068)
Changes in long service payment	(88,990)	(117,652)
Cash (used in)/generated from operations	(1,660,153)	1,443,507
Refund to Government	(1,054,323)	(2,378,125)
Net cash used in operating activities	(2,714,476)	(934,618)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire plant and equipment	(365,068)	(557,737)
Interest income received	36,135	460
Net cash used in investing activities	(328,933)	(557,277)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(3,043,409)	(1,491,895)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	20,420,572	21,912,467
CASH AND CASH EQUIVALENTS CARRIED FORWARD	17,377,163	20,420,572

## ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	2023 HK\$	2022 HK\$
Cash at bank and in hand	17,377,163	20,420,572
Bank overdraft	-	-
	17,377,163	20,420,572

The annexed notes form an integral part of these financial statements.

ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

The Association was incorporated under the laws of Hong Kong on 5 June 1990. Pursuant to Section 21 of the Companies Ordinance, the Association has obtained approval from the Registrar of Companies to register the Association without incorporating the word "Limited" to its name.

The Association is limited by guarantee and, accordingly, it is not authorized to issue share capital. The liability of members is limited to HK\$100 each.

There were 10 members as at the statement of financial position date (2022: 10).

The address of its registered office is No. 207-212, Podium Floor, Block 44, Shek Kip Mei Estate, Kowloon.

The principal activity is provision of engineering and medical professional services to needy individuals and organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance

The 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).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Association. Note 2(c) below provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Association for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statement

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. They have been prepared under the historical cost convention.

ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Continued -

(c) Changes in accounting policies and disclosures

The HKICPA has issued a number of amendments to HKFRSs and new interpretations that are first effective for the current accounting period of the Association. Of these, none of the developments are relevant to the Association's financial statements.

The Association has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Income recognition

Income is recognized when it is probable that the economic benefits will flow to the Association and when the income can be measured reliably, on the following bases:

- (i) Subventions, when there is reasonable assurance that the Association will comply with the conditions attaching to the subventions and that the subventions will be received. Subventions are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis;
- (ii) Donations and membership annual subscriptions, upon actual cash receipt;
- (iii) Interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (iv) Service income, in the period in which such services are rendered.

(e) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Association will comply with the conditions attaching to them. Grants that compensate the Association for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Association for the cost of an assets are deducted from the carrying amount of the assets and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(f) Impairment of assets

At each reporting date, the Association reviews the carrying amounts of its assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an assets is estimated in order to determine the extent of the impairment loss.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the statement of comprehensive income except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 20232. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Continued -

(g) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. For property, plant and equipment which are funded by government grants or other grants, such grants are deducted in arriving at the carrying amount of the assets, and the balance of the cost of these assets are depreciated over their estimated useful lives.

Depreciation is calculated to write off the cost/value of each asset, less their estimated residual value, if any, using the straight line method over their estimated useful lives. The principle annual rates used for this purpose are as follows:-

Furniture and equipment	33%
Leasehold improvement	50%

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 disposal proceeds and the carrying amount of the item and are recognized in the statement of comprehensive income and expenditure on the date of retirement or disposal.

(h) Receivable

Receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment losses of bad and doubtful debts, except where the receivable are interest-free loans made to related parties without any fixed repayment terms or effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment losses of bad and doubtful debts.

A provision for impairment of the receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

(i) Payables

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at original invoice amount.

(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. Bank overdrafts that are repayable on demand and form an integral part of the Association's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 20232. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Continued -

(k) Employee benefits*Employment Ordinance long service payments*

Certain of the Association's employees have completed the required number of years of service to the Association in order to be eligible for long service payments under Hong Kong Employment Ordinance (the "Employment Ordinance") in the event of the termination of their employment. The Association is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognized in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Association to the statement of financial position date.

A contingent liability is disclosed in respect of possible future long service payments to employees, as a number of current employees have achieved the required number of years of service to the Association, to the statement of financial position date, in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated in the circumstances specified. A provision has not been recognized in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Association.

*Pension schemes*

The Association operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive income and expenditure as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Association in an independently administered fund. The Association's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(l) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the statement of income and expenditure on the straight-line basis over the lease terms.

(m) Designated donations and related expenditure

Designated donations received are credited directly to the respective funds. Expenditures are charged to these funds where appropriate.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 20232. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Continued -

(n) Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Association 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.

3. LOANS TO DISABLED

	<u>2023</u> HK\$	<u>2022</u> HK\$
At beginning of year	224,315	387,910
Advances during the year	96,500	29,290
Written off of loan to disabled (deceased)	(47,130)	-
Repayment during the year	(101,610)	(192,885)
At end of year	<u>172,075</u>	<u>224,315</u>
Portion classified as current assets	(99,150)	(103,830)
Non-current portion	<u>72,925</u> =====	<u>120,485</u> =====

These are unsecured, interest-free and are repayable by monthly instalments.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 20234. PLANT AND EQUIPMENT

	<u>Furniture &amp; Equipment</u> HK\$	<u>Leasehold Improvement</u> HK\$	<u>Total</u> HK\$
COST			
At 01.04.2021	199,826	128,100	327,926
Addition	11,037	546,700	557,737
At 31.03.2022	210,863	674,800	885,663
Addition	301,183	63,885	365,068
At 31.03.2023	512,046	738,685	1,250,731
	-----	-----	-----
ACCUMULATED DEPRECIATION			
At 01.04.2021	189,683	128,100	317,783
Charge for the year	10,038	273,350	283,388
At 31.03.2022	199,721	401,450	601,171
Charge for the year	107,857	305,293	413,150
At 31.03.2023	307,578	706,743	1,014,321
	-----	-----	-----
NET BOOK VALUE			
At 31.03.2023	204,468	31,942	236,410
	=====	=====	=====
At 31.03.2022	11,142	273,350	284,492
	=====	=====	=====

5. LONG SERVICE PAYMENTS OBLIGATION

The Association had provided long service payments for employees who had fulfilled the required number of years of service under Hong Kong's Employment Ordinance (the ``Employment Ordinance'') on their termination of employment.

The provision for long service payments is calculated in accordance with the provisions of the Employment Ordinance and is reduced by the cumulative employer's contribution to the MPF.

At 31 March 2023, 35 employees (2022: 34) had fulfilled the required number of years of service under Employment Ordinance. The total amount of the provision for long service payment should be HK\$653,435 (2022: HK\$546,687).

However, Social Welfare Department will subvent the long service payments for the employees under Supported Employment Services, Integrated Home Care and the Endeavor. No provision was recognised in respect of such payment as no material outflow of resources will be required to settle the obligation. The correspondence amount was disclosed as contingent liability in Note 29 to the financial statements.

The provision was only recognised for the employees under Central Administration.



## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 20236. GENERAL FUND

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	-	-
Transfer from statement of comprehensive income	(877,767)	(639,871)
Transfer to Service Foundation Fund - note 7	877,767	639,871
Balance at end of year	<u>-</u> =====	<u>-</u> =====

7. SERVICE FOUNDATION FUND

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	6,124,987	6,217,258
Transfer from statement of comprehensive income	506,150	547,600
Transfer from General Fund - note 6	(878,261)	(639,871)
Transfer to Social Welfare Department Provident Fund Surplus - note 15	(362,150)	-
Balance at end of year	<u>5,390,726</u> =====	<u>6,124,987</u> =====

The Service Foundation Fund ("SFF") was set up to support the development of new services of the Association and the surplus balance of SFF will be used to offset against any deficits in the General Fund.

8. INDEPENDENT LIVING FUND

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	2,540,890	2,540,890
Transfer from statement of comprehensive income	(47,130)	-
Balance at end of year	<u>2,493,760</u> =====	<u>2,540,890</u> =====

The Independent Living Fund was set up separately to provide interest-free loans to the disabled and, accordingly, it is not to be used to cover any deficits which were derived from any other services or funds.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 20239. SUPPORTED EMPLOYMENT SERVICES

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	277,263	278,743
Transfer (to)/from statement of comprehensive income	(44,183)	413,358
Transfer from/(to) Social Welfare Department		
Lump Sum Grant Reserve - note 14	44,183	(413,358)
Fund transfer to Social Welfare Department		
Lump Sum Grant Reserve		
agreed by SWD SF/SAS/4-35/1/3(010) - note 14	-	(1,480)
Balance at end of year	<u>277,263</u> =====	<u>277,263</u> =====

The Supported Employment Services, commenced in March 1995, provides employment opportunities to the disabled.

10. JOCKEY CLUB DESKTOP PUBLISHING CENTRE

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	(1,783,669)	(1,819,620)
Transfer to statement of comprehensive income	(95,303)	35,951
Balance at end of year	<u>(1,878,972)</u> =====	<u>(1,783,669)</u> =====

The funding from The Hong Kong Jockey Club Charities Trust and Chinese Permanent Cemeteries was used to set up a workshop to provide training and employment for the disabled since March 1996 and, accordingly, it is not to be used to cover any deficits which were derived from any other services or funds.

11. HOME CARE SERVICES

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	528,150	528,150
Transfer from statement of comprehensive income	14,793	505,103
Transfer to Social Welfare Department		
Lump Sum Grant Reserve - note 14	(14,793)	(505,103)
Balance at end of year	<u>528,150</u> =====	<u>528,150</u> =====

The Home Care Services aims to provide home care to the elderly and disabled, as well as needy families so as to assist them to continue living in the community.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 202312. THE ENDEAVOR

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	57,241	76,810
Transfer (to)/from statement of comprehensive income	(226,330)	425,188
Transfer from/(to) Social Welfare Department		
Lump Sum Grant Reserve - note 14	226,330	(425,188)
Refund to government	-	(19,569)
Balance at end of year	<u>57,241</u> =====	<u>57,241</u> =====

This is an integrated vocational rehabilitation service centre subvented by the Social Welfare Department.

13. LAUNDRY WORKSHOP

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	80,977	75,743
Transfer to statement of comprehensive income	22,534	5,234
Balance at end of year	<u>103,511</u> =====	<u>80,977</u> =====

The Clean Laundry was funded by the grants from the 'Enhancing Employment of People with Disabilities through Small Enterprise' Project of the Social Welfare Department. The Project commenced operation since February 2006. The project is to operate on a self-finance mode after expiry of funding support from the Social Welfare Department.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 202314. SOCIAL WELFARE DEPARTMENT LUMP SUM GRANT RESERVE

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	10,823,431	11,111,451
Transfer (to)/from Supported Employment Services - note 9	(44,183)	413,358
Transfer from Home Care Services - note 11	14,793	505,103
Transfer (to)/from The Endeavor - note 12	(226,330)	425,188
Transfer (to)/from Social Welfare Department Provident Fund - note 15	(109,392)	587,287
Transfer from Social Welfare Department Block Grant - note 17	46,669	133,287
Transfer from/(to) Social Welfare Department Rent and Rates - note 18	37,096	(3,711)
Transfer to Social Welfare Development Fund - note 22	(295)	(20,212)
Refund to Government	(1,041,541)	(2,326,364)
Refund to Government for previous years	-	(5,392)
Fund transfer from Social Welfare Department Lump Sum Grant Reserve agreed by SWD SF/SAS/4-35/1/3(010) - note 9	-	1,480
Fund transfer from Social Welfare Department Provident Fund agreed by SWD SF/SAS/4-35/1/3(010) - note 15	-	1,956
Balance at end of year	<u>9,500,248</u> =====	<u>10,823,431</u> =====

In accordance with the Lump Sum Grant Manual issued by the Social Welfare Department in October 2000 and adopted by the Association, any unspent lump sum grant is to be transferred to and kept in a separate reserve fund.

15. SOCIAL WELFARE DEPARTMENT PROVIDENT FUND

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	1,271,055	1,860,298
Transfer from/(to) Social Welfare Department Lump Sum Grant Reserve - note 14	109,392	(587,287)
Fund transfer to Social Welfare Department Lump Sum Grant Reserve agreed by SWD SF/SAS/4-35/1/3(010) - note 14	-	(1,956)
Transfer from Service Foundation Fund - note 7	362,150	-
Refund to Government	(12,784)	-
Balance at end of year	<u>1,729,813</u> =====	<u>1,271,055</u> =====

In accordance with the Lump Sum Grant Manual issued by the Social Welfare Department in April 2005, any unspent lump sum grant is to be transferred to and kept in a separate reserve fund.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 202316. SOCIAL WELFARE DEPARTMENT CENTRAL ITEMS

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year and at end of year	142,917 =====	142,917 =====

In accordance with the Lump Sum Grant Manual issued by the Social Welfare Department in April 2005, any unspent lump sum grant is to be transferred to and kept in a separate reserve fund.

17. SOCIAL WELFARE DEPARTMENT BLOCK GRANT

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	267,922	401,209
Transfer to Social Welfare Department		
Lump Sum Grant Reserve - note 14	(46,669)	(133,287)
Balance at end of year	<u>221,253</u> =====	<u>267,922</u> =====

The Block Grant aims to meet the minor and routine Furniture and Equipment replenishment and repairs and maintenance requirements of Agencies in respect of their subvented welfare service so as to replace the need for individual applications.

Movement of the F&E Replenishment and Minor Works Block Grant Reserve is as follows:-

		HK\$
Credit balance b/f from previous financial year		267,922
Add: Block Grant received during the year	374,000	
Interest income received	553	
	<u>          </u>	374,553
		<u>642,475</u>
Less: Expenditure during the year (Note):-		
Furniture and equipment		(421,222)
Credit balance c/f to the next financial year		<u>221,253</u> =====

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 202317. SOCIAL WELFARE DEPARTMENT BLOCK GRANT

- Continued -

## Capital Commitments

As at 31 March 2023, the outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works Grant were as follows:

	HK\$
Contracted for but not provided in the financial statements	-
Authorized but not contracted for	-
	-----
	-
	=====

Note: Expenditure charged to Block Grant during the year should be full expenditure amount, i.e. the actual expenditure incurred in 2022-23.

18. SOCIAL WELFARE DEPARTMENT RENT AND RATES

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	(810,869)	(787,779)
Transfer (to)/from Social Welfare Department		
Lump Sum Grant Reserve - note 14	(37,096)	3,711
Refund to Government	-	(26,801)
Balance at end of year	(847,965)	(810,869)
	=====	=====

In accordance with the Lump Sum Grant Manual Issued by the Social Welfare Department in April 2005, any unspent lump sum grant is to be transferred to and kept in a separate reserve fund.

19. COMMUNITY-BASED SUPPORT PROJECTS FOR PERSONS WITH DISABILITIES AND THEIR FAMILIES

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning and end of year	130,686	130,686
	=====	=====

Community-based Support Projects for Persons with Disabilities and their Families aims to provide comprehensive and continuous on-the-job support to persons with disabilities so as to enhance their adaptation and problem solving abilities. The ultimate goal is to assist them to retain their employment. Support is also rendered to their families to relieve their pressure and improve their family relationship.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 202320. SOCIAL WELFARE DEVELOPMENT FUND

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	388,449	368,237
Transfer (to)/from Social Welfare Department Lump Sum Grant Reserve - note 14	295	20,212
Balance at end of year	<u>388,744</u> =====	<u>388,449</u> =====

The Fund is allocated by the Social Welfare Department to support training, capacity enhancement initiatives and service delivery enhancement studies.

Movement of the Social Welfare Development Fund (SWDF) is as follows:-

	HK\$	HK\$
(a) Balance of SWDF brought forward - Phase 3		(a) 388,449
<u>Income</u>		
(b) Allocation from SWDF during the financial year		(b) -
(c) Interest received during the financial year - Phase 3		(c) 295
<u>(d) Expenditure</u>		
1. Expenditure for projects under scope A	-	
2. Expenditure for projects under scope B (non-IT)	-	
3. Expenditure for projects under scope B (IT)	-	
4. Expenditure for projects under scope C	-	
5. Expenditure for Administrative Support	-	
Total expenditure during financial year	-	
	(d)	-
(e) Balance carried forward to the next financial year		(e) 388,744
(e) = (a) + (b) + (c) - (d)		=====

The above expenditures under the SWDF have been incurred in accordance with the requirements stipulated in SWDF Guidance Notes for application, SWD's approval letter(s) and the procurement of projects and services are in line with the procedures specified in the Lotteries Fund Manual.

21. JOCKEY CLUB DIGITAL INCLUSION CENTRE

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	(55,133)	(48,016)
Transfer to statement of comprehensive income	(14,791)	(7,117)
Balance at end of year	<u>(69,924)</u> =====	<u>(55,133)</u> =====

The Centre aims to narrow the digital divide and enhancing digital accessibility of people with disabilities and elderly such that they can also benefit from the advancement in technology.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 202322. ELECTRIC WHEELCHAIR REPAIR CLINIC AND RESOURCE CENTRE

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	1,295,291	1,628,483
Transfer from/(to) statement of comprehensive income	104,699	(333,192)
Balance at end of year	<u>1,399,990</u> =====	<u>1,295,291</u> =====

The Centre provides repair, maintenance and rental of electric wheelchair so as to facilitate mobility of people with disabilities and elderly and thus their integration into the community.

23. EC FARM - VOCATIONAL TRAINING AND HORTICULTURE EDUCATIONAL SCHEME

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	(613,873)	(589,724)
Transfer from/(to) statement of comprehensive income	14,460	(24,149)
Balance at end of year	<u>(599,413)</u> =====	<u>(613,873)</u> =====

The Farm Project, commenced in March 2013, provides training opportunities for people with disabilities on farming and horticulture and facilitate their integration into the community.



## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 202324. COMMUNITY CARE FUND - PILOT SCHEME ON HOME CARE AND SUPPORT FOR ELDERLY PERSONS WITH MILD IMPAIRMENT

During the year, the Association has implemented Community Care Fund ("CCF") assistance programme. According to the requirement of CCF, the Association is required to disclose the income and expenditure for the programme in its financial statements.

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	72,968	(47,709)
Transfer from statement of comprehensive income	245,827	120,677
Balance at end of year	<u>318,795</u> =====	<u>72,968</u> =====

Community Care Fund aims to provide home care and support services to elderly with mild impairment.

Movement of the CCF - Pilot scheme on Home Care and Support for Elderly Persons with Mild Impairment is as follows:-

	<u>2023</u> HK\$	<u>2022</u> HK\$
<u>Income</u>		
Subsidy from CCF	598,976	545,385
Fees income received from participants	25,599	26,690
Social Welfare Development COVID-19	-	-
	<u>624,475</u> -----	<u>572,075</u> -----
<u>Expenditure</u>		
Audit fee	3,500	3,500
Cleaning	130	-
Equipment	54,825	27,525
General expense	2,967	700
Salaries	197,212	305,895
Provident fund	13,410	21,191
Programme expenses	93,433	81,987
Printing, stationery and postage	60	907
Travelling	3,765	1,059
Telephone and fax	90	-
Electricity and water	9,047	8,634
Insurance	55	-
Staff training	154	-
	<u>(378,648)</u> -----	<u>(451,398)</u> -----
Surplus for the year	245,827	120,677
Balance at the beginning of the year	72,968	(47,709)
Balance at the end of the year	<u>318,795</u> =====	<u>72,968</u> =====

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 202325. SOCIAL WELFARE DEPARTMENT TIME-LIMITED POSTS FOR ELDERLY AND REHABILITATION SERVICES

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	25,000	22,700
Transfer (to)/from statement of comprehensive income	(25,000)	2,300
Balance at end of year	----- -----	----- -----

"Time-limited posts for Elderly and Rehabilitation Services" was created under the Anti-epidemic Fund with a view to enhance technology support for elderly and rehabilitation service units subsidized by the Social Welfare Department. A subsidy for a maximum of 12 months was given to each post from 1 October 2022 to 31 December 2023.

26. BENEFITS AND INTERESTS OF COMMITTEE MEMBERS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP.622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP.622G)

No remuneration was paid or payable to the committee members which needs to be disclosed pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G).

27. TAXATION

No provision for Hong Kong profits tax has been made since the Association is a charitable institution and, accordingly, is exempted from Hong Kong tax under Section 88 of the Inland Revenue Ordinance.

## ASSOCIATION FOR ENGINEERING AND MEDICAL VOLUNTEER SERVICES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 202328. LEASE COMMITMENTAs lessor

At the reporting date, the Association had future aggregate minimum lease receivables under non-cancellable operating leases in respect of investment properties as follows:-

	<u>2023</u> HK\$	<u>2022</u> HK\$
Within one year	1,654,848	1,654,848
After one year but within five years	3,717,696	3,717,696
After five years	-	-
	<u>5,372,544</u> =====	<u>5,372,544</u> =====

29. CONTINGENT LIABILITY

	<u>2023</u> HK\$	<u>2022</u> HK\$
Long service payments obligation - note 5	646,840	483,504
	<u>=====</u>	<u>=====</u>

30. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Association is exposed through its operations to one or more of the following financial risks:

- Fair value or cash flow interest rate risk
- Liquidity risk

Policies for managing these risks are set by the management of the Association. The policy for each of the above risks is described in more detail below.

**Fair value and cash flow interest rate risk**

As the Association has no significant third party interest-bearing assets/liabilities other than in Hong Kong dollar bank deposits, the Association's income and operating cash flows are substantially independent of changes in market interest rates.

**Liquidity risk**

The Association's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.