

EMERGENCY RELIEF FUND

ANNUAL REPORT

BY THE TRUSTEE

FOR THE YEAR ENDED

31 MARCH 2021

Emergency Relief Fund

Annual Report

by the Trustee

for the year ended

31 March 2021

Emergency Relief Fund

Annual Report by the Trustee for the Year Ended 31 March 2021

The Fund

The Emergency Relief Fund Ordinance, Chapter 1103 of the Laws of Hong Kong, provides for the establishment and administration of a trust fund known as the Emergency Relief Fund.

2. The Fund aims to provide prompt assistance for persons who are in need of urgent relief as a result of fire, flooding, tempest, landslide, typhoon or other natural disasters. Grants from the Fund are intended for relief rather than compensation.

3. The Fund consists of an annual allocation from the General Revenue and donations received from the public from time to time. It is vested in the Director of Social Welfare Incorporated as Trustee.

The Committee

4. The Emergency Relief Fund Committee advises the Trustee on matters relating to the administration of the Fund. The Committee, as laid down in the Ordinance, comprises three ex-officio members and two or more non-official members appointed by the Chief Executive. Membership as at 31 March 2021 was as follows:

Chairperson	Director of Social Welfare
Members	Miss AU Hiu-lam, Helen
	Ms CHAN Yeo-ting, Jolanda
	Mr LAW Ka-chun, Joseph
	Director of Housing or representative
	Director of Home Affairs or representative
Secretary	Senior Social Security Officer (Social Security) ⁴ , Social Welfare Department

5. During the year, papers on matters below were issued to members of the Committee for information or agreement:

- quarterly reports on payments made;
- annual report by the Trustee for the year ending 31 March 2020;
- investment matters;
- annual revision of the payment rates;
- the revised Emergency Relief Fund Payment Schedule; and
- others administrative matters.

Payments

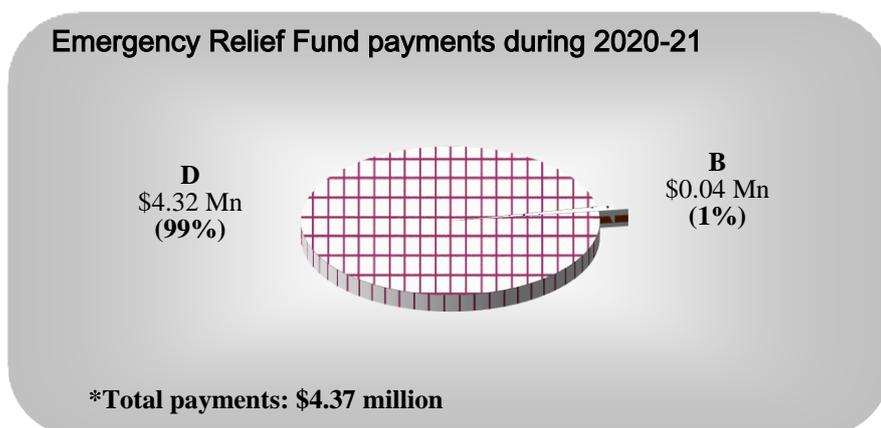
6. There are five major types of grants under the Fund as detailed in Annex I of Appendix I. Payments of grants are made on the basis set out in the Emergency Relief Fund Payment Schedule, which is subject to periodic revision to reflect changes in prices and wages. The payment rates were last revised on 1 April 2020 as set out in Annex III of Appendix I.

7. The responsibility for approving grants and making payments in accordance with the Operational Guidelines set out in Appendix I is, in most cases, vested in the Agriculture, Fisheries and Conservation Department, the Marine Department, the Social Welfare Department and the Lands Department, while the Home Affairs Department is responsible for overall co-ordination at the district level.

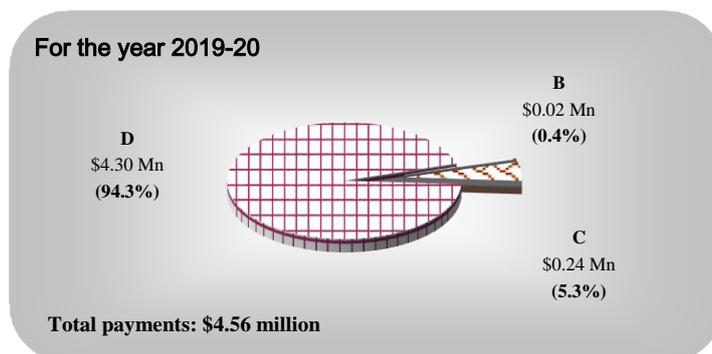
8. As the Fund is meant for urgent relief, applications for various types of grants must be made within the respective time limits as laid down in Annex II of Appendix I.

9. During the year, payments totalling \$4.37 million were made from the Fund. A breakdown by type of grant is provided below (preceding year inset):

Emergency Relief Fund payments during 2020-21		
Type of grant	\$Mn	%
B: Domestic re-accommodation, re-equipment, site formation & repair grants and grant for severe damage to home appliances	0.04	1
D: Primary producer grants	4.32	99
Total payments	4.37	



For the year 2019-20		
Type of grant	\$Mn	%
B: Domestic re-accommodation, re-equipment, site formation & repair grants and grant for severe damage to home appliances	0.02	0.4
C: Grants to repair or replace vessels and fishing gear	0.24	5.3
D: Primary producer grants	4.30	94.3
Total payments	4.56	



Section

- A** : Grants in respect of death or personal injury
- B** : Domestic re-accommodation, re-equipment, site formation & repair grants and grant for severe damage to home appliances
- C** : Grants to repair or replace vessels and fishing gear
- D** : Primary producer grants
- E** : Special grants

Note

*Figures may not add up to total due to rounding.

Financial position

10. Income for the year amounted to \$14.67 million, including \$10 million from the Government. On 31 March 2021, the Fund's general account stood at \$120.86 million. Details of the accounts are shown in Appendix II.

Acknowledgements

11. As the Trustee of the Fund, I would like to express my appreciation for the continued support and assistance rendered by all government departments and other parties concerned. I also wish to extend my thanks to all members of the Committee for their contribution in the past year.

Gordon LEUNG
Director of Social Welfare Incorporated Trustee
Emergency Relief Fund

Emergency Relief Fund

Operational Guidelines

Types of Grants

There are five types of grants: death or personal injury grants; domestic re-accommodation, re-equipment, site formation and repair grants and grant for severe damage to home appliances; repair or replacement of vessels and fishing gear grants; primary producer grants; and special grants. A table listing the types of grants and the government departments responsible for investigation and payment is at Annex I.

Time Limits for Application

2. An application for Emergency Relief Fund must be made within the time limits from the date of incident for the respective types of grants as specified in Annex II.

Definitions

3. Dependent Family Members

“Dependent Family Members” should include -

- (a) those family members, however distantly related, who were living under the same family roof, functioning as one household and were financially dependent on the deceased (these “dependent” members may be wage earners themselves who have been partially dependent on the deceased, e.g. a working teenage distant cousin);
- (b) those family members, usually closely related family members not living under the same family roof, who have been financially dependent on the deceased and can show this to be so (that is, remittance receipts, letters and statutory declarations, and the financial dependency must be regular);
- (c) a conceived baby of the family members in (a) and (b) at the time of the victim’s death (the baby will be included as a dependent family member only if he is subsequently born alive and survives up to the time when payment is made); and

- (d) close family members include spouse, children, parents, grandparents, unmarried brothers and sisters, step-parents, grandchildren, step-children, daughters-in-law, sisters-in-law and such persons whose relationship is created by any adoption recognised as valid by the laws of Hong Kong. In all other cases of less closely related family members not living under the same family roof but having been financially dependent on the deceased, discretion may be exercised to decide whether they should be included in the assessment of assistance payable.

General Criteria

4.1 To be eligible for relief from the Fund, a person must be in need to an extent which merits relief as set out in Section 4 of Chapter 1103 of the Laws of Hong Kong. The agents of the Fund must constantly bear this requirement in mind.

4.2 Grants are intended for relief rather than compensation.

4.3 Grants may be made to a person who is legally staying in Hong Kong and who appears to be in need as a result of a natural disaster such as tempest, typhoon, rainstorm, landslide and flooding, which has caused suffering or loss to an extent which merits assistance. In addition, victims of fire, house collapse, boat capsize, shipwreck, explosion, eviction from a dangerous building or building affected by a Court Order as a result of natural disaster are also eligible for assistance.

4.4 No payment will be made in respect of any occurrence resulting from a criminal act (e.g. arson) or an act of deliberate negligence (e.g. breach of marine regulations).

4.5 Eligibility criteria relating to individual government departments are set out in paragraphs 5 to 6 below. The Payment Schedule is set out in Annex III.

4.6 The level and conditions of payment should be in accordance with the Payment Schedule in effect on the day when the natural disaster occurs.

4.7 Public donations specifically given for victims of a particular incident should be disbursed exclusively to the designated victims and paid in addition to any entitlement under the Payment Schedule, regardless of the purpose of the donation.

Eligibility Criteria Relating to Individual Departments in respect of Sections A – D of the Payment Schedule

Lands Department

- 5.1
- (a) Grants for emergency relief would be payable irrespective of whether the victims have any insurance coverage. The victims may be required to repay the amount of the grants received if they subsequently recover compensation for the structures or equipment damaged from the insurance companies.
 - (b) Cases due to piling in the neighbourhood or other occurrences resulting from human acts cannot qualify for assistance. Cases where a forced eviction takes place as a result of a house or private tenement being rendered uninhabitable by a natural occurrence may qualify for assistance provided that compensation has not been provided by the landlord.
 - (c) For damaged or evacuated (either moved to rental housing, interim housing or resited) unauthorized domestic structures including unsurveyed squatter structures, only re-equipment grant is payable where there is loss of property; re-accommodation grant, site formation grant or repair grant is not payable.

Agriculture, Fisheries and Conservation Department

- 5.2
- (a) *Farmers*
 - (1) Generally, only genuine small full-time farmers should be considered and large-scale farmers or high income farmers will not be eligible except in unusual circumstances of extreme hardship.
 - (2) Where the source of half of the income of the applicant is not farming, the application should be rejected.
 - (3) If less than one-third of the whole farm is damaged, no grant should be given unless there are exceptional circumstances.
 - (4) For mixed farms, farmers are allowed to claim grants under the appropriate enterprises but subject to one applicable maximum whichever is the highest.
 - (5) If a farmer has received or will receive a grant as a result of a previous natural disaster which happened less than 7 days ago and no significant new damage occurred in the farm, no grant should be given except in unusual circumstances of extreme hardship.

(b) *Fishermen*

- (1) Only bona fide Hong Kong fishermen, and at least 50% of whose family income comes from fishing will be considered for relief.
- (2) Applicants must be the owners of the damaged/lost vessels which were used for fishing.
- (3) The damaged/lost vessel must be the subject of a valid fishing vessel licence issued by the Marine Department.
- (4) The damage/losses must have resulted from fire, strong wind, heavy rain, thick fog or other occurrence.
- (5) Application will not be considered if the damaged/lost vessel is owned by a fish trader or fishing company except in unusual circumstances of extreme hardship.
- (6) If the damaged/lost vessel has insurance coverage, the fisherman may be required to repay the amount of the grants received if he subsequently recovers compensation from the insurer.

(c) *Pond Fish Farmers*

- (1) Only genuine small-scale fish farmers will be considered; damage suffered by commercial farming concerns and comparatively high income fish farmers will not be considered except in unusual circumstances of extreme hardship.
- (2) Where the source of half of the family income of the applicant is not fish farming, the application will be rejected.
- (3) If less than one-third of the whole fish farm is damaged, no grant should be given unless there are exceptional circumstances.

(d) *Marine Fish Farmers*

- (1) Only licensed small-scale fish farmers with at least 50% of the family income coming from marine fish culture will be considered for relief.
- (2) Regarding loss or damage to rafts or cages, only those cases involving loss or damage of at least one-third of the rafts or

cages in use will be considered for relief unless there are exceptional circumstances.

- (3) Regarding loss of fish, only those cases involving a loss of at least one-third of the total fish stock by value will be considered for relief unless there are exceptional circumstances.
- (4) For both (2) & (3) above, the amount of grant in respect of the rafts, cages or fish stock should not exceed the value of the actual losses in the respective items.
- (5) Commercial farming concerns and large-scale farms will not be considered except in unusual circumstances of extreme hardship.
- (6) If the fish stock/rafts have insurance coverage, the fish farmer may be required to repay the amount of the grants received if he subsequently recovers compensation from the insurer.

Marine Department (for working boats)

- 5.3
- (a) Payment will only be made to the owner of a working boat that has been certificated and licensed under the Merchant Shipping (Local Vessels) (Certification and Licensing) Regulation Cap. 548D, irrespective of whether the owner has effective insurance coverage. However, the victim may be required to repay the amount of the grants received if he subsequently recovers compensation for the damage to his working boat(s) from the insurance company.
 - (b) The licence of the working boat must be valid when the natural disaster occurs.
 - (c) The working boat must be certificated and licensed in the name of the owner in person. For avoidance of doubt, no payment will be made if the owner of the working boat is a company, unless under exceptional circumstances.
 - (d) No payment will be made to the owner of a working boat if he owns more than one working boat and only one is damaged, unless under exceptional circumstances.

Social Welfare Department

- 5.4
- (a) If burial expenses were paid either in full or in part by the Government (such as under the Comprehensive Social Security Assistance Scheme) or by any charitable fund, the amount of burial grant shall be reduced by the amount of such payment.

- (b) Payment of a burial grant is made to the person who is responsible for the funeral expenses or to a relative of the deceased, as considered appropriate by the Department.

Eligibility Criteria Relating to all Departments Concerned in respect of Section E of the Payment Schedule

- 6.
 - (a) The level of grant stipulated under Section E of the Payment Schedule refers to the total sum of payments for an event of natural disaster and not the payment for a victim.
 - (b) Ex-gratia grants may be payable to victims of natural disasters who are not covered by the standard grants but in need of some financial assistance. Therefore, grants are only payable to victims who cannot benefit from the provisions under Sections A - D of the Payment Schedule. Ex-gratia grants should not be paid in addition to any of the entitlements as listed under Sections A - D.
 - (c) The general criteria and eligibility criteria relating to Sections A - D of the Payment Schedule (set out in paragraphs 4.1 to 5.4 above) should not be violated.

Payment Schedule and Administrative Procedures

- 7. These are laid down in detail in Annexes I to III and they must be complied with accordingly.

Emergency Relief Fund

Types of Grants and the Departmental Officers Responsible for the Various Procedures

Type of Grants	Department Responsible for Investigation and Payment	Officer Responsible for Reporting, Verification, Test Check and Approval
<p>A. Grants in respect of death or <u>personal injury</u></p> <p>1. Burial grant</p> <p>2. Death grant</p> <p style="padding-left: 40px;">(a) Loss of the sole wage earner where there are dependants</p> <p style="padding-left: 40px;">(b) Loss of a wage earner where there are dependants and another wage earner remaining in the family</p> <p style="padding-left: 40px;">(c) Loss of a parent who was not a wage earner but there are children under 15 years of age</p> <p>3. Disability grant</p> <p>4. Injury grant</p> <p>5. Interim maintenance grant</p>	<p>Social Welfare Department</p>	<p>Reporting by Social Security Officer II/Senior Social Security Assistant/Social Security Assistant; co-ordination, supervision and recommendation by Supervisor of Social Security Field Units; approval by District Social Welfare Officer/ Senior Social Security Officer and test check by staff of the Internal Audit Section, Social Welfare Department.</p>

Type of Grants	Department Responsible for Investigation and Payment	Officer Responsible for Reporting, Verification, Test Check and Approval
<p>B. Domestic re-accommodation, re-equipment, site formation and repair grants and grant for severe damage to home appliances *</p> <hr/> <p>1. Domestic structures rendered uninhabitable - victims moving to Housing Authority permanent rental housing or multi-storey interim housing or private housing</p> <p>2. Domestic structures rendered uninhabitable - victims resited and allowed to rebuild, or victims rebuild in situ</p> <p>3. Domestic structures damaged - victims repair in situ - structures substantially damaged/ structures not substantially damaged but warrant some assistance</p> <p>4. Domestic structures (undamaged) to be permanently evacuated - victims moving to Housing Authority permanent rental housing or multi-storey interim housing or private housing/ victims resited</p>	<p>Lands Department</p>	<p>Reporting and investigation by Clearance Officers; verification by Assistant Manager; test check and recommendation by Manager; approval by Senior Manager.</p> <p>(Note: The Clearance Unit, Lands Department is responsible for applications relating to Section B1)</p> <p>Reporting and investigation by Squatter Control Officer; verification by Assistant Manager, test check and recommendation by Manager, approval by Senior Estate Surveyor or Principal Land Executive.</p> <p>(Note: The Squatter Control Unit, Lands Department is responsible for applications relating to Section B2)</p> <p>Same as Section B2</p> <p>Same as Section B1</p>

Type of Grants	Department Responsible for Investigation and Payment	Officer Responsible for Reporting, Verification, Test Check and Approval
<p>5. Domestic structures not substantially damaged but victims suffer from damage or extensive loss to their home appliances, furniture and other personal belongings</p>	<p>In the case of dwelling vessels, investigation and verification by Marine Department and payment by Lands Department</p>	<p>Same as Section B2</p> <p>For investigation and verification in respect of dwelling vessels, by Marine Inspector II or above.</p>

Type of Grants	Department Responsible for Investigation and Payment	Officer Responsible for Reporting, Verification, Test Check and Approval
<p>C. <u>Grants to repair or replace vessels and fishing gear</u></p> <ol style="list-style-type: none"> 1. Fishing gear or fishing or working boats lost or damaged beyond economic repair 2. Fishing gear or fishing or working boats damaged but not beyond economic repair 3. Licensed dwelling vessels <ul style="list-style-type: none"> - total destruction and severe damage 	<p>Marine Department for working boats</p> <p>Agriculture, Fisheries and Conservation Department for fishing boats and gear</p> <p>Marine Department</p>	<p><u>For working boats</u> Reporting by Marine Inspector II or above; verification and check by Marine Inspector I or above and approval by District Marine Officer or Senior Marine Officer.</p> <p><u>For fishing boats and gear</u> Reporting by Fisheries Supervisors I/II and Craft Technician I/II; verification by Senior Fisheries Supervisor or Fisheries Officer and approval by Senior Fisheries Officer.</p> <p>Same as C1 and 2 for working boats.</p>

Type of Grants	Department Responsible for Investigation and Payment	Officer Responsible for Reporting, Verification, Test Check and Approval
<p>D. <u>Primary producer grants</u></p> <p>1. Stock houses and farm buildings destroyed or severely damaged *</p> <p>2. Rehabilitation grants for loss of crops or livestock and fish **</p> <p>(a) vegetables and other crops</p> <p>(b) livestock</p> <p>(c) mushroom</p> <p>(d) pond fish</p> <p>(e) silting</p> <p>(f) mariculture fish</p> <p>(g) fish rafts/cages</p> <p>(h) bund damage</p>	<p>Lands Department</p> <p>Agriculture, Fisheries and Conservation Department</p>	<p>Same as Section B2</p> <p>Reporting by Field Officers or Field Assistants; verification by Field Officers; approval by Senior Field Officers or Agricultural Officers; test check by Agricultural Officers; approval of exceptional hardship cases by Senior Agricultural Officers.</p> <p>Same as (a).</p> <p>Same as (a).</p> <p>Reporting by Fisheries Supervisor I/II; verification and test check by Senior Fisheries Supervisor or Fisheries Officer and approval by Senior Fisheries Officer.</p> <p>Same as (a).</p> <p>Same as (d).</p> <p>Same as (d).</p> <p>Same as (d).</p>

Type of Grants	Department Responsible for Investigation and Payment	Officer Responsible for Reporting, Verification, Test Check and Approval
<p>E. <u>Special grants</u></p> <p>Ex-gratia grant</p>	<p>Operating department(s) concerned [The operating department has to provide details and justifications, including the total estimated amount of the ex-gratia grants, when seeking the approval of the Emergency Relief Fund Committee (where the amount is above the level of grant stipulated under Section E of the Payment Schedule) or the Director of Social Welfare for the release of the ex-gratia grant.]</p>	<p>Same as Sections A to D.</p>

Notes

* *Sections B & D1*

Cases due to piling in the neighbourhood or other occurrences resulting from human acts cannot qualify for assistance. Cases where a forced eviction takes place as a result of a house or a private tenement being rendered uninhabitable by a natural occurrence may qualify for assistance provided that compensation has not been provided by the landlord.

** *Section D2*

The captioned grant is issued on a household basis, and hence each household can only submit one application per incident.

Time Limits for Application for Emergency Relief Fund

Section	Type of Grants	Time Limit for Application #
A	Grants in respect of death or personal injury	6 months
B	Domestic re-accommodation, re-equipment, site formation and repair grants and grant for severe damage to home appliances	6 months 30 working days
C	Grants to repair or replace vessels and fishing gear	30 working days
D	Primary producer grants (i) Stock houses and farm buildings destroyed or severely damaged (ii) Rehabilitation grants for loss of crops or livestock and fish	30 working days 7 working days
E	Special grants	According to the time limits for individual items under Sections A to D depending on the nature of the event of disaster

Notes

Application for the Emergency Relief Fund must be made within the respective time limit.

In reckoning the time limit for application, the day on which the incident takes place is excluded. If the last day of the time limit is a public holiday, a gale or rainstorm warning day (i.e. Tropical Cyclone Warning Signal No. 8 or above or Black Rainstorm Warning Signal is issued), the period shall include the next normal working day.

Emergency Relief Fund
Chapter 1103 of the Laws of Hong Kong
Payment Schedule

(Effective from 1.4.2020)

Payment of grants included in this Payment Schedule
is governed by the definitions and criteria set out in the Operational Guidelines

Type of Payment	Level of Grant	Condition of Grant
<p>A. Grants in respect of death <u>or personal injury</u></p> <p>1. Burial grant</p> <p>2. Death grant</p> <p>(a) Loss of the sole wage earner where there are dependants</p> <p>(b) Loss of a wage earner where there are dependants and another wage earner remaining in the family</p> <p>(c) Loss of a parent who was not a wage earner but there are children under 15 years of age</p>	<p>\$16,050 per person.</p> <p>\$169,200 for one dependent family member plus \$14,100 for each additional dependent family member, up to a maximum of \$239,700.</p> <p>\$84,600 for one dependent family member plus \$14,100 for each additional dependent family member, up to a maximum of \$155,100.</p> <p>\$84,600 for one child under 15 plus \$14,100 for each additional child under 15, up to a maximum of \$155,100.</p>	<p>If the burial expenses were paid either in full or in part by Government (such as under the Comprehensive Social Security Assistance Scheme) or by any charitable fund, the amount of grant shall be reduced by the amount of such payment.</p> <p>If the beneficiary is an adult who is mentally unsound or found unconscious or is a minor without surviving parent or legal guardian, payments will be made on the advice of the Social Welfare Department.</p>

Type of Payment	Level of Grant	Condition of Grant
3. Disability grant	Up to a maximum of \$203,040, abated to 2/3 for persons aged 60 and over, discounted on account of degree of disability as provided for under the Employees' Compensation Ordinance (see Assessment Table attached).	
4. Injury grant	\$769 up to a maximum of \$63,940 depending on gravity of injury (see Assessment Table attached).	<p>For cases where the injury period is 7 days or more before death -</p> <p>(a) injury grant is payable;</p> <p>(b) it is payable to the victim or to his family after his death as appropriate.</p> <p>Injury grant should cease from the date on which the victim becomes eligible for the disability grant, or upon the death of the victim.</p>
5. Interim maintenance grant	Up to \$14,100 per month for a maximum of six months (one month is regarded as 30 days) (see Assessment Table attached).	<p>In case of incapacity of a wage earner or a non-wage-earning parent where there are children under 15 years of age.</p> <p>Payment of this grant should cease upon the death of the victim.</p>

Type of Payment	Level of Grant	Condition of Grant
<p>B. Domestic re-accommodation, re-equipment, site formation and repair grants and grant for severe damage to home appliances *</p> <hr/> <p>1. Domestic structures rendered uninhabitable</p> <p>Victims moving to Housing Authority permanent rental housing or multi-storey interim housing with improved facilities comparable in quality to permanent rental housing or private housing</p> <p>2. Domestic structures rendered uninhabitable - victims resited and allowed to rebuild, or victims rebuild in situ</p>	<p>(i) Re-equipment grant of \$2,320 for a single person, \$3,470 for a family of 2 persons, and \$1,160 for each additional family member where there is loss of property.</p> <p>(ii) Re-accommodation grant of -</p> <p>(a) \$10,270 for a single person;</p> <p>(b) \$16,940 for a family of 2 to 3 persons;</p> <p>(c) \$23,250 for a family of 4 to 5 persons;</p> <p>(d) \$30,600 for a family of 6 persons and above.</p> <p>(i) Re-equipment grant of \$2,320 for a single person, \$3,470 for a family of 2 persons, and \$1,160 for each additional family member where there is loss of property.</p>	<p>(a) An “unborn baby” which is medically certified to be not less than 16 weeks of pregnancy at the time of rehousing should be eligible for assistance under Section B of the Payment Schedule.</p> <p>(b) Grants payable under Section B of the Payment Schedule can be used for appropriate purposes at the discretion of the victims.</p> <p>Same as B 1</p>

Type of Payment	Level of Grant	Condition of Grant
<p>3. Domestic structures damaged – victims repair in situ</p> <p>(a) Structures substantially damaged</p>	<p>(ii) Re-accommodation grant of -</p> <p>(a) \$7,590 for a single person;</p> <p>(b) \$14,280 for a family of 2 persons;</p> <p>(c) \$15,370 for a family of 3 persons;</p> <p>(d) \$17,520 for a family of 4 persons;</p> <p>(e) \$20,070 for a family of 5 persons;</p> <p>(f) \$22,940 for a family of 6 persons and above.</p> <p>(iii) Site formation grant of \$1,480 per structure.</p> <p>(i) Repair grant of -</p> <p>(a) \$3,610 for a single person;</p> <p>(b) \$7,160 for a family of 2 persons;</p> <p>(c) \$7,730 for a family of 3 persons;</p> <p>(d) \$8,780 for a family of 4 persons;</p> <p>(e) \$10,040 for a family of 5 persons;</p> <p>(f) \$11,500 for a family of 6 persons and above.</p>	<p>Same as B1</p>

Type of Payment	Level of Grant	Condition of Grant
<p>(b) Structures not substantially damaged, but warrant some assistance</p> <p>4. Domestic structures (undamaged) to be permanently evacuated</p> <p>(a) Victims moving to Housing Authority permanent rental housing or multi-storey interim housing with improved facilities comparable in quality to permanent rental housing or private housing</p>	<p>(ii) Re-equipment grant of \$2,320 for a single person, \$3,470 for a family of 2 persons, and \$1,160 for each additional family member where there is loss of property.</p> <p>Repair grant of \$4,310 per family irrespective of size.</p> <p>(i) Re-accommodation grant of -</p> <p>(a) \$10,270 for a single person;</p> <p>(b) \$16,940 for a family of 2 to 3 persons;</p> <p>(c) \$23,250 for a family of 4 to 5 persons;</p> <p>(d) \$30,600 for a family of 6 persons and above.</p> <p>(ii) Re-equipment grant of \$2,320 for a single person, \$3,470 for a family of 2 persons, and \$1,160 for each additional family member where there is loss of property.</p>	<p>Same as B1</p>

Type of Payment	Level of Grant	Condition of Grant
(b) Victims resided	<ul style="list-style-type: none"> (i) Re-accommodation grant of - <ul style="list-style-type: none"> (a) \$7,590 for a single person; (b) \$14,280 for a family of 2 persons; (c) \$15,370 for a family of 3 persons; (d) \$17,520 for a family of 4 persons; (e) \$20,070 for a family of 5 persons; (f) \$22,940 for a family of 6 persons and above. (ii) Re-equipment grant of \$2,320 for a single person, \$3,470 for a family of 2 persons, and \$1,160 for each additional family member where there is loss of property. (iii) Site formation grant of \$1,480 per structure. 	
5. Domestic structures not substantially damaged but victims suffer from damage or extensive loss to their home appliances, furniture and other personal belongings	<ul style="list-style-type: none"> (a) \$3,520 for a single person; (b) \$5,860 for a family of 2 persons; (c) \$7,210 for a family of 3 persons; (d) \$8,720 for a family of 4 persons; (e) \$10,300 for a family of 5 persons; (f) \$11,940 for a family of 6 persons and above. 	Same as B1

Type of Payment	Level of Grant	Condition of Grant
<p>C. Grants to repair or replace <u>vessels and fishing gear</u></p> <p>1. Fishing gear or fishing or working boats lost or damaged beyond economic repair</p> <p>2. Fishing gear or fishing or working boats damaged but not beyond economic repair</p> <p>3. Licensed dwelling vessels</p>	<p>(a) 50% of the cost of replacement up to a maximum of \$292,370 for non-mechanised vessels.</p> <p>(b) 50% of the cost of replacement up to a maximum of \$551,050 for mechanised vessels.</p> <p>(c) 50% of the cost of replacement up to a maximum of \$38,940 for gear lost or damaged beyond economic repair.</p> <p>(a) 50% of the cost of minimum repairs up to a maximum of \$146,180 for non-mechanised vessels.</p> <p>(b) 50% of the cost of minimum repairs up to a maximum of \$275,530 for mechanised vessels.</p> <p>(c) 50% of the cost of replacement up to a maximum of \$19,470 for gear partially damaged.</p> <p>Total destruction same as B1</p> <p>Severe damage same as B2</p>	<p>Applicants must be owners (excluding companies or fish-dealers) of the damaged/lost vessels. If the damaged/lost vessel has insurance coverage, the applicant may be required to repay the amount of the grants received if he subsequently recovers compensation from the insurer.</p> <p>Same as C1</p> <p>Same as B1</p> <p>Same as B1</p>

Type of Payment	Level of Grant	Condition of Grant
<p>D. <u>Primary producer grants</u></p> <p>1. Stock houses and farm buildings destroyed or severely damaged *</p> <p>2. Rehabilitation grants for loss of crops or livestock and fish **</p>	<p>Assessment is to be made on the basis of 50% of cost of replacement, up to a maximum of \$28,600.</p> <p>(a) Vegetables and other crops - \$1,980 per dau chung (including cost of \$253 and \$491 for soil conditioner and extra labour respectively) up to a maximum of \$11,880 for 6 dau chung.</p> <p>1 dau chung is equal to 674.5m² or 7 260 ft².</p> <p>(b) Livestock -</p> <p>(i) \$1,360 per pig plus \$491 cost for extra labour per farm up to a maximum of \$14,090 for 10 pigs;</p> <p>(ii) \$14 per bird plus \$491 cost for extra labour per farm up to a maximum of \$6,090 for 400 birds;</p> <p>(iii) \$12,340 per working cattle-calf/heifer to a maximum of \$12,340.</p> <p>(c) Mushroom - \$9.2 per m² of damaged bedding area plus \$491 cost for extra labour per farm up to a maximum of \$3,160.</p>	<p>Grants only payable to those who claim or appear to earn livelihood by farming.</p> <p>Generally, only genuine small full-time farmers adversely affected by a natural disaster could be eligible for consideration.</p>

Type of Payment	Level of Grant	Condition of Grant
	<p>(d) Pond fish - \$2.3 per m² for cost of basic material inputs up to a maximum of \$15,500 for 6 740 m² plus \$0.1 per m² for cost of extra labour up to a maximum of \$2,360.</p> <p>(e) Silting - \$18 per cubic metre or \$3,500 per dau chung paid according to actual damage up to a maximum of \$10,500.</p> <p>(f) Mariculture fish - \$312 per m² for cost of basic material inputs up to a maximum of \$6,240 for 20 m² plus \$3.6 per m² for cost of extra labour up to a maximum of \$720.</p> <p>(g) Fish rafts/cages - 50% of the cost of minimum repairs or replacement if beyond economic repair to a maximum of - rafts : \$17,960 cages : \$4,790.</p> <p>(h) Bund damage - 50% of the cost of minimum repairs to a maximum of \$3,150.</p>	<p>If the fish stock/rafts have insurance coverage, the mariculturist may be required to repay the amount of the grants received if he subsequently recovers compensation from the insurer.</p> <p>If the fish stock/rafts have insurance coverage, the mariculturist may be required to repay the amount of the grants received if he subsequently recovers compensation from the insurer.</p>

Type of Payment	Level of Grant	Condition of Grant
<p>E. <u>Special grants</u></p> <p>Ex-gratia grant</p>	<p>Amounts above \$30,000 to be at the discretion of the Committee; others to be decided by the Trustee.</p>	

Notes

* *Sections B & D1*

Cases due to piling in the neighbourhood or other occurrences resulting from human acts cannot qualify for assistance. Cases where a forced eviction takes place as a result of a house or a private tenement being rendered uninhabitable by a natural occurrence may qualify for assistance provided that compensation has not been provided by the landlord.

** *Section D2*

The captioned grant is issued on a household basis, and hence each household can only submit one application per incident.

Assessment Table for Disability Grant

(For injuries sustained on or after 1.4.2020)

Loss of Earning Capacity %	Payment (\$)	Loss of Earning Capacity %	Payment (\$)
0.1	203		
0.5	1,015		
1	2,030	51	103,550
2	4,061	52	105,581
3	6,091	53	107,611
4	8,122	54	109,642
5	10,152	55	111,672
6	12,182	56	113,702
7	14,213	57	115,733
8	16,243	58	117,763
9	18,274	59	119,794
10	20,304	60	121,824
11	22,334	61	123,854
12	24,365	62	125,885
13	26,395	63	127,915
14	28,426	64	129,946
15	30,456	65	131,976
16	32,486	66	134,006
17	34,517	67	136,037
18	36,547	68	138,067
19	38,578	69	140,098
20	40,608	70	142,128
21	42,638	71	144,158
22	44,669	72	146,189
23	46,699	73	148,219
24	48,730	74	150,250
25	50,760	75	152,280
26	52,790	76	154,310
27	54,821	77	156,341
28	56,851	78	158,371
29	58,882	79	160,402
30	60,912	80	162,432
31	62,942	81	164,462
32	64,973	82	166,493
33	67,003	83	168,523
34	69,034	84	170,554
35	71,064	85	172,584
36	73,094	86	174,614
37	75,125	87	176,645
38	77,155	88	178,675
39	79,186	89	180,706
40	81,216	90	182,736
41	83,246	91	184,766
42	85,277	92	186,797
43	87,307	93	188,827
44	89,338	94	190,858
45	91,368	95	192,888
46	93,398	96	194,918
47	95,429	97	196,949
48	97,459	98	198,979
49	99,490	99	201,010
50	101,520	100	203,040

Note

(a) According to percentage of a maximum of \$203,040.

(b) Abated to 2/3 for victims aged 60 and over.

Assessment Table for Injury Grant

(For injuries sustained on or after 1.4.2020)

No. of Days of Sick Leave	Payment (\$)	No. of Days of Sick Leave	Payment (\$)	No. of Days of Sick Leave	Payment (\$)
1	769	61	24,565	121	44,418
2	1,538	62	24,896	122	44,749
3	2,307	63	25,227	123	45,080
4	3,076	64	25,558	124	45,411
5	3,845	65	25,889	125	45,741
6	4,614	66	26,219	126	46,072
7	5,383	67	26,550	127	46,403
8	6,152	68	26,881	128	46,734
9	6,921	69	27,212	129	47,065
10	7,690	70	27,543	130	47,396
11	8,021	71	27,874	131	47,727
12	8,352	72	28,205	132	48,058
13	8,683	73	28,536	133	48,389
14	9,014	74	28,866	134	48,719
15	9,344	75	29,197	135	49,050
16	9,675	76	29,528	136	49,381
17	10,006	77	29,859	137	49,712
18	10,337	78	30,190	138	50,043
19	10,668	79	30,521	139	50,374
20	10,999	80	30,852	140	50,705
21	11,330	81	31,183	141	51,036
22	11,661	82	31,514	142	51,366
23	11,991	83	31,844	143	51,697
24	12,322	84	32,175	144	52,028
25	12,653	85	32,506	145	52,359
26	12,984	86	32,837	146	52,690
27	13,315	87	33,168	147	53,021
28	13,646	88	33,499	148	53,352
29	13,977	89	33,830	149	53,683
30	14,308	90	34,161	150	54,014
31	14,639	91	34,491	151	54,344
32	14,969	92	34,822	152	54,675
33	15,300	93	35,153	153	55,006
34	15,631	94	35,484	154	55,337
35	15,962	95	35,815	155	55,668
36	16,293	96	36,146	156	55,999
37	16,624	97	36,477	157	56,330
38	16,955	98	36,808	158	56,661
39	17,286	99	37,139	159	56,991
40	17,616	100	37,469	160	57,322
41	17,947	101	37,800	161	57,653
42	18,278	102	38,131	162	57,984
43	18,609	103	38,462	163	58,315
44	18,940	104	38,793	164	58,646
45	19,271	105	39,124	165	58,977
46	19,602	106	39,455	166	59,308
47	19,933	107	39,786	167	59,639
48	20,264	108	40,116	168	59,969
49	20,594	109	40,447	169	60,300
50	20,925	110	40,778	170	60,631
51	21,256	111	41,109	171	60,962
52	21,587	112	41,440	172	61,293
53	21,918	113	41,771	173	61,624
54	22,249	114	42,102	174	61,955
55	22,580	115	42,433	175	62,286
56	22,911	116	42,764	176	62,616
57	23,241	117	43,094	177	62,947
58	23,572	118	43,425	178	63,278
59	23,903	119	43,756	179	63,609
60	24,234	120	44,087	180	63,940

Note

- (a) \$769 is used as the base for the scale and rate of payment per day for the first 10 days.
- (b) The payment rate for the 11th day onwards is 1/170 of the difference between the maximum grant and the grant per day for the first 10 days, i.e. \$ (63,940 – 7,690) / 170 to be rounded up or down as appropriate.

Assessment Table for Interim Maintenance Grant

(For injuries sustained on or after 1.4.2020)

No. of Days of Loss of Earnings	Scale of Payment (\$)
1	470
2	940
3	1,410
4	1,880
5	2,350
6	2,820
7	3,290
8	3,760
9	4,230
10	4,700
11	5,170
12	5,640
13	6,110
14	6,580
15	7,050
16	7,520
17	7,990
18	8,460
19	8,930
20	9,400
21	9,870
22	10,340
23	10,810
24	11,280
25	11,750
26	12,220
27	12,690
28	13,160
29	13,630
30	14,100

Emergency Relief Fund

Financial Statements for the year ended 31 March 2021

Report of the Director of Audit



Audit Commission

The Government of the Hong Kong Special Administrative Region

Independent Auditor's Report To the Legislative Council

Opinion

I certify that I have audited the financial statements of the Emergency Relief Fund set out on pages 4 to 15, which comprise the balance sheet as at 31 March 2021, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the financial position of the Emergency Relief Fund as at 31 March 2021, and of its financial performance and 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 accordance with section 10(1) of the Emergency Relief Fund Ordinance (Cap. 1103).

Basis for opinion

I conducted my audit in accordance with section 10(2) of the Emergency Relief Fund Ordinance and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I am independent of the Emergency Relief Fund in accordance with those standards, and I have fulfilled my other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Director of Social Welfare Incorporated for the financial statements

The Director of Social Welfare Incorporated is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA

and section 10(1) of the Emergency Relief Fund Ordinance, and for such internal control as the Director of Social Welfare Incorporated determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Social Welfare Incorporated is responsible for assessing the Emergency Relief Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibilities for the audit of the financial statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit Commission auditing standards 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 the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Emergency Relief Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director of Social Welfare Incorporated;
- conclude on the appropriateness of the Director of Social Welfare Incorporated's use of the going concern basis of accounting and, based on the audit evidence

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Emergency Relief Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Emergency Relief Fund to cease to continue as a going concern; and

- 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.

S. M . CHOI
Principal Auditor
for Director of Audit

19 August 2021

Audit Commission
26th Floor
Immigration Tower
7 Gloucester Road
Wanchai, Hong Kong

Emergency Relief Fund

Balance Sheet as at 31 March 2021

	Note	2021 HK\$	2020 HK\$
NON-CURRENT ASSETS			
Placement with the Exchange Fund	3	-	28,402,530
CURRENT ASSETS			
Placement with the Exchange Fund	3	29,453,424	-
Accounts receivable		-	8,550
Interest receivable		683,151	852,932
Time deposits with original maturities over three months		57,695,249	46,951,078
Cash and cash equivalents	4	33,042,766	34,334,756
		<u>120,874,590</u>	<u>82,147,316</u>
CURRENT LIABILITIES			
Accounts payable		(17,820)	-
		<u>120,856,770</u>	<u>82,147,316</u>
NET CURRENT ASSETS			
		<u>120,856,770</u>	<u>110,549,846</u>
NET ASSETS			
		<u>120,856,770</u>	<u>110,549,846</u>
Representing:			
ACCUMULATED FUND		<u>120,856,770</u>	<u>110,549,846</u>

The accompanying notes 1 to 8 form part of these financial statements.

(KOK Che-leung)
Director of Social Welfare Incorporated
Trustee of the Emergency Relief Fund
19 August 2021

Emergency Relief Fund

Income and Expenditure Account for the year ended 31 March 2021

	2021 HK\$	2020 HK\$
INCOME		
Grant from the Government	10,000,000	10,000,000
Donation	2,000,000	-
Refund of grants	-	211,778
Interest	2,279,625	2,710,101
Net exchange gains / (losses)	393,223	(324,237)
	<hr/> 14,672,848	<hr/> 12,597,642
EXPENDITURE		
Domestic re-accommodation, re-equipment, site formation and repair grants and grants for severe damage to home appliances	(41,580)	(19,040)
Grants to repair or replace vessels and fishing gear	-	(240,549)
Primary producer grants	(4,324,344)	(4,299,517)
	<hr/> (4,365,924)	<hr/> (4,559,106)
SURPLUS FOR THE YEAR	10,306,924	8,038,536
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<hr/> <hr/> 10,306,924	<hr/> <hr/> 8,038,536

The accompanying notes 1 to 8 form part of these financial statements.

Emergency Relief Fund

Statement of Changes in Equity for the year ended 31 March 2021

ACCUMULATED FUND	2021 HK\$	2020 HK\$
Balance at beginning of year	110,549,846	102,511,310
Total comprehensive income for the year	10,306,924	8,038,536
Balance at end of year	<u>120,856,770</u>	<u>110,549,846</u>

The accompanying notes 1 to 8 form part of these financial statements.

Emergency Relief Fund

Statement of Cash Flows for the year ended 31 March 2021

	Note	2021 HK\$	2020 HK\$
Cash flows from operating activities			
Surplus for the year		10,306,924	8,038,536
Adjustments for:			
Interest income		(2,279,625)	(2,710,101)
Net exchange (gains) / losses		(393,223)	324,237
Decrease / (Increase) in accounts receivable		8,550	(8,550)
Increase / (Decrease) in accounts payable		17,820	(117,008)
Net cash from operating activities		7,660,446	5,527,114
Cash flows from investing activities			
Interest received		2,450,782	2,552,806
Increase in time deposits with original maturities over three months		(10,352,324)	(11,017,101)
Increase in placement with the Exchange Fund		(1,050,894)	(800,460)
Net cash used in investing activities		(8,952,436)	(9,264,755)
Net decrease in cash and cash equivalents		(1,291,990)	(3,737,641)
Cash and cash equivalents at beginning of year		34,334,756	38,072,397
Cash and cash equivalents at end of year	4	33,042,766	34,334,756

The accompanying notes 1 to 8 form part of these financial statements.

Emergency Relief Fund

Notes to the Financial Statements

1. General

The Emergency Relief Fund (the Fund) was established for the purpose of making grants and loans and providing material assistance to persons who are in need thereof as a result of fire, flood, tempest, typhoon or other occurrence which has caused suffering or loss in accordance with section 4 of the Emergency Relief Fund Ordinance (Cap. 1103).

The address of the Fund's principal place of business is Room 704, 7/F, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong.

2. Significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with section 10(1) of the Emergency Relief Fund Ordinance and all applicable Hong Kong Financial Reporting Standards (HKFRSs), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). A summary of the significant accounting policies adopted by the Fund is set out below.

(b) Basis of preparation of the financial statements

The financial statements have been prepared on an accrual basis and under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the 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.

There are no critical accounting judgements involved in the application of the Fund's accounting policies. There are neither key assumptions concerning the future nor other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next year.

Certain comparative figures for 2020 have been reclassified to conform with the current year's presentation of the Fund's financial statements.

(c) Impact of new and revised HKFRSs

The HKICPA has issued certain new or revised HKFRSs which are first effective for the current accounting period. There have been no changes to the accounting policies applied in these financial statements for the years presented as a result of these developments

The Fund has not early adopted any amendments, new standards and interpretations which are not yet effective for the current accounting period. The Fund is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial adoption. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Fund's results of operations and financial position.

(d) Financial assets and financial liabilities

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised on the date the Fund becomes a party to the contractual provisions of the financial instrument. They are initially stated at fair value plus or minus transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities.

(ii) Classification and subsequent measurement

Financial assets measured at amortised cost

These comprise placement with the Exchange Fund, accounts receivable, interest receivable, time deposits and cash and cash equivalents. They are held for the collection of contractual cash flows which represent solely payments of principal and interest. They are subsequently measured at amortised cost using the effective interest method. The measurement of loss allowances for these financial assets is based on the expected credit loss model as described in note 2(d)(iv).

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Fund estimates cash flows by considering all contractual terms of the financial instrument but does not consider the expected credit losses. The calculation includes all fees received or paid between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Financial liabilities measured at amortised cost

These comprise accounts payable. They are subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership have been transferred.

A financial liability is derecognised when the obligation specified in the contract is discharged, is cancelled or expires.

(iv) Impairment of financial assets

For placement with the Exchange Fund, accounts receivable, interest receivable, time deposits and cash and cash equivalents, the Fund measures the expected credit losses to determine the loss allowance required to be recognised.

Expected credit losses are a probability-weighted estimate of credit losses. They are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Fund expects to receive, discounted at the effective interest rate. They are measured on either of the following bases:

- 12-month expected credit losses (for financial instruments for which there has not been a significant increase in credit risk since initial recognition): these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime expected credit losses (for financial instruments for which there has been a significant increase in credit risk since initial recognition): these are losses that are expected to result from all possible default events over the expected life of the financial instrument.

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Fund 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 assessment, the Fund considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Fund in full; or (ii) the financial asset is 90 days past due. The Fund 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.

For a financial asset with lifetime expected credit losses recognised in the previous reporting period, if its credit quality improves and reverses the previously assessed significant increase in credit risk, then the loss allowance reverts from lifetime expected credit losses to 12-month expected credit losses.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(e) Revenue recognition

- (i) Grant from the Government is recognised in the income and expenditure account when there is reasonable assurance that it will be received and that the Fund will comply with the conditions attaching to it.
- (ii) Interest income from deposits with banks and the placement with the Exchange Fund is recognised as it accrues using the effective interest method.
- (iii) Donation is recognised as income once the amount is received and approval for acceptance is obtained.

(f) Expenditure on grants/refund of grants

Grants are recognised as expenditure when they are approved and due for payment. Refund of grants is recognised when the right to receive payment is established.

(g) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, and other short-term highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, having been within three months of maturity when placed or acquired.

(h) Foreign currency translation

Hong Kong dollar is the currency of the primary economic environment in which the Fund operates. Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the reporting date. Exchange gains and losses are dealt with in the income and expenditure account.

3. Placement with the Exchange Fund

In March 2016, HK\$25 million was placed with the Exchange Fund. The term of the placement is six years from the date of placement, during which the amount of the original placement cannot be withdrawn. Interest on the placement is at a rate determined annually in January and payable annually in arrears on 31 December. The rate is the average annual rate of return of the Exchange Fund's Investment Portfolio for the past six years or the average annual yield of three-year government bond in the previous year subject to a minimum of zero percent, whichever is the higher. The interest rate has been fixed at 4.7% per annum for January to December 2021 and at 3.7% per annum for January to December 2020.

As at 31 March 2021, the total balance of the placement with the Exchange Fund amounted to HK\$29.5 million (2020: HK\$28.4 million), being the principal sum of HK\$25 million (2020: HK\$25 million) plus interest earned but not yet withdrawn at the end of the reporting period of HK\$4.5 million (2020: HK\$3.4 million).

4. Cash and cash equivalents

	2021	2020
	HK\$	HK\$
Time deposits with original maturities within three months	31,807,164	32,584,708
Cash with a government department	37,820	20,000
Cash at bank	1,197,782	1,730,048
	<u>33,042,766</u>	<u>34,334,756</u>

5. Financial risk management

The Fund's major financial assets include placement with the Exchange Fund, time deposits and cash and cash equivalents. The major risks associated with these financial assets are set out below.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund's maximum exposure to credit risk at the reporting date in relation to each class of financial assets is the carrying amount of those assets as stated in the balance sheet.

The Fund limits its exposure to credit risk by transacting with banks with high credit ratings in Hong Kong. Hence, the credit risk associated with time deposits and cash at bank is considered to be low. The credit risk in respect of placement with the Exchange Fund and cash with a government department is considered minimal.

The credit quality of time deposits and bank balances, analysed by the ratings designated by Moody's, at the reporting date is shown below:

	2021	2020
	HK\$	HK\$
Time deposits and bank balances, by credit rating		
Aa1 to Aa3	24,028,860	6,568,923
A1 to A3	<u>66,671,335</u>	<u>74,696,911</u>
	<u>90,700,195</u>	<u>81,265,834</u>

While the financial assets measured at amortised cost are subject to the impairment requirements, the Fund has estimated that their expected credit losses are immaterial and considers that no loss allowance is required.

(b) Interest rate risk

Interest rate risk is the risk of loss arising from changes in market interest rates. This can be further classified into fair value interest rate risk and cash flow interest rate risk.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Since the Fund's bank deposits bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as they are stated at amortised cost, changes in market interest rates will not affect their carrying amounts and the Fund's surplus and equity.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's exposure to cash flow interest rate risk is small because interest income from financial instruments bearing interest at a floating rates is not significant.

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in currency exchange rates. The Fund's financial instruments denominated in foreign currencies are exposed to currency risk.

(i) Exposure to currency risk

The Fund maintained financial instruments denominated in Renminbi totalling CNY4,413,851 (2020: CNY4,302,624) at the reporting date. Since no foreign currency rate hedging is made by the Fund, the carrying amounts of the financial instruments in Renminbi represent the maximum exposure of the Fund to foreign exchange risk in respect of Renminbi.

(ii) Sensitivity analysis

It was estimated that, at 31 March 2021, should the Renminbi strengthen/weaken by 5% (2020: 5%) against the Hong Kong dollar, with all other variables held constant, the surplus of the Fund for the year and the accumulated fund would increase/decrease by HK\$261,000 (2020: HK\$235,000).

The above sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at the reporting date and for financial instruments in existence at that date.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

In the management of liquidity risk, the Fund maintains a level of cash and cash equivalents that is considered adequate to finance its operations and mitigate the effects of fluctuations in cash flows. Hence, the Fund does not have significant exposure to liquidity risk.

At 31 March 2021, the remaining contractual maturities of all financial liabilities, based on contractual undiscounted cash flows and the earliest date on which the Fund can be required to pay, were three months or less (2020: nil).

(e) Other financial risk

The Fund is exposed to financial risk arising from the placement with the Exchange Fund due to changes in interest rate which is determined every January (note 3). It was estimated that, at 31 March 2021, a 50 basis point increase/decrease in the interest rates for 2020 and 2021, with all other variables held constant, would increase/decrease the surplus of the Fund for the year and the accumulated fund by HK\$147,000 (2020: HK\$142,000).

6. Capital management

The capital structure of the Fund consists solely of accumulated fund. The Fund's objectives when managing capital are:

- (a) to comply with the Emergency Relief Fund Ordinance; and
- (b) to maintain a capital base for carrying out the purpose of the Fund as stated in note 1 above.

The Fund manages capital to ensure that its level is adequate to fund expenditure, taking into account its projected cash flow requirements, future financial obligations and commitments.

7. Cost of administration of the Fund

The cost of administration of the Fund has been borne by the Government of the Hong Kong Special Administrative Region in accordance with section 11 of the Emergency Relief Fund Ordinance.

8. Fair values of financial assets and financial liabilities

All financial assets and financial liabilities are stated in the balance sheet at amounts equal to or not materially different from their fair values.