

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

REPORTS

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

LOUIS LAI & LUK CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

CONTENTS

	PAGES
REPORT OF THE EXECUTIVE COMMITTEE MEMBERS	1 - 3
INDEPENDENT AUDITOR'S REPORT	4 - 6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CHANGES IN FUNDS	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11 – 44

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
REPORT OF THE EXECUTIVE COMMITTEE MEMBERS

The executive committee members present their annual report and the audited financial statements for the year ended March 31, 2023.

BUSINESS REVIEW

Although the services of the organization were still being affected in the first half year in 2022/23 due to the pandemic, things gradually went back to normal when the pandemic subsided. With the efforts of the staff, our Suicide Crisis Intervention Centre met all the output and outcome targets set by the Social Welfare Department. Outreach services of Life Education Centre and fee-charging courses for professionals were also affected but gradually recovered in the second half of the year. Output of our Hotline Centre also increased in the second half of the year, although it still could not reach the target pledged to The Community Chest. The coverage of 24 hours/365 days of hotline service fell significantly below the desired level of satisfaction. This outcome can be attributed in part to the challenges posed by the pandemic and the working behaviours of our dedicated hotline volunteers.

Two more Executive committee members resigned after the 2022 Annual General Meeting and one of them was Honorary Secretary. The number of executive Committee members was decreased to 8. This might further create some difficulties in the organization, but it was settled after a new Honorary Secretary was elected as a replacement.

The cut of 1% subvention for our Suicide Crisis Intervention Service from the Social Welfare Department started in 2022/23. Regular increment of funding provided by The Community Chest in the past has stopped for 3 consecutive years because of less funding raised by The Chest. Fortunately, even without big-scale fundraising event, there were still over a million donations from various sources. With careful use of funding, SBHK could still manage to make a balance budget and remain financially healthy in this year.

The development of Life Education programmes and training on Suicide Crisis Intervention will be two major areas for the future development of SBHK. These were highly recognized by the service users in this financial year. A pilot experiential life education programme was implemented with very positive feedbacks, and there are a lot of requests for providing training programmes on Suicide Crisis Intervention from different sectors including the Fire Services Department. A new hotline telephone system is being developed and will be implemented in the next financial year which can allow our volunteers to flexibly provide emotional support service.

Guidelines on environmental friendliness were followed in this year. LED lights and automatic faucets were used to save electricity and water. Except for some electricity appliances which have to be kept turning on, all others were off when not in use after office hours. To reduce wastage, two service centres of SBHK were kept in their best condition to avoid unnecessary repairs as much as possible.

As a charitable organization limited by guarantee and exempted for taxation, SBHK complied with the laws and regulations, including but not limited to Companies Ordinance, Inland Revenue Ordinance, Labour Law, MPF Ordinance, Privacy Ordinance, and various Discrimination Ordinance. SBHK also follow straightly its Memorandum and Articles of Association and its By-Laws to protect the interests of all stakeholders of the organization.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

REPORT OF THE EXECUTIVE COMMITTEE MEMBERS (CONT'D)

BUSINESS REVIEW (CONT'D)

The clients, in general, were satisfied with the services provided by SBHK, although there was a rather serious case due to the incompletion of procedures. Actions have been taken by improving the workflow to ensure that similar cases will not happen again.

The relationship with suppliers was good in this financial year. SBHK has been making payments to suppliers promptly to maintain good relationship with them, although there was a delay of payment to an IT service provider due to their late completion of a project with SBHK.

PRINCIPAL ACTIVITIES

The principal activities are preventing suicide and carrying out community education in this respect.

FINANCIAL STATEMENTS

The financial performance of the Organization for the year ended March 31, 2023 and the financial position of the Organization as at that date are set out in the financial statements on pages 7 to 8.

FUNDS

Movements in organization fund and other funds during the year are set out on page 9 of the financial statements.

FURNITURE AND EQUIPMENT

Movements in property, plant and equipment during the year are set out on Note (14) to the financial statements.

EXECUTIVE COMMITTEE MEMBERS

The executive committee members during the year and up to the date of this report were as follows:

CHENG Kit Yee Noel
WONG Yuk Lan
LEE Choi Ha
CHAN Chi Fai
NG Ho Lam
LUK Fan
CHAM Lai Ching
WONG Hon Chi Heymans
NG Wing Fung

(Resigned on August 28, 2022)

In accordance with Article 44 of the Organization's Articles of Association, the terms of the existing members of the executive committee shall be two-year term (from the year 2019 to 2023) but they shall be eligible for re-election.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

REPORT OF THE EXECUTIVE COMMITTEE MEMBERS (CONT'D)

MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance to which the Organization was a party and in which an executive committee member of the Organization or an entity connected with an executive committee member is or was materially interested, whether directly or indirectly, subsisted during or at the end of the financial year.

MANAGEMENT CONTRACTS

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


PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the executive committee members of the Organization was in force during the year and up to the date of this report.

AUDITORS

The former auditors, Messrs. K.W. Tam & Co. Certified Public Accountants, retired from office after the issuance of the Organization's audited financial statements for the year ended March 31, 2022 and were replaced by Louis Lai & Luk CPA Limited, which shall retire and, being eligible, offer themselves for re-appointment.

On behalf of the executive committee members



WONG Hon Chi, Heymans
Chairman

Hong Kong, 14 JUL 2023

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LUK KAR MAN CPA (PRACTISING) 陸嘉敏會計師

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
(incorporated in Hong Kong and limited by guarantee)**

Opinion

We have audited the financial statements of The Samaritan Befrienders Hong Kong (the "Organization") set out on pages 7 to 44, which comprise the statement of financial position as at March 31, 2023 and the statement of comprehensive income, statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Organization as at March 31, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 Matter

The financial statements of the Organization for the year ended March 31, 2022 were audited by the predecessor auditor who expressed an unmodified opinion to the financial statements on August 2, 2022.

Information Other than the Financial Statements and Auditor's Report Thereon

The executive committee members are responsible for the other information. The other information comprises the information included in the executive committee members' report of but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT HONORARY AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF
香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
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Executive Committee Members' Responsibilities for the Financial Statements

The executive committee members are responsible for the preparation of 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 executive 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 executive committee members are responsible for assessing the Organization'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 executive committee members either intend to liquidate the Organization or to cease operations, or have no realistic alternative but to do so.

The executive committee members are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap.622) and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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.

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INDEPENDENT HONORARY AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF
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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

We communicate with the executive 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.



Louis Lai & Luk CPA Limited
Certified Public Accountants

Luk Wing Hay
Practising Certificate Number P01623

Hong Kong, 14 JUL 2023

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2023

	<u>NOTES</u>	<u>2023</u>	<u>2022</u>
		HK\$	HK\$
INCOME			
Grant from the Community Chest	(6)	2,096,100	2,096,100
Government subvention	(7)	14,725,992	15,244,905
Grant from the Hong Kong Jockey Club Charities Chest	(8)	2,131,862	2,710,773
Sponsor from business		-	11,356,268
Proceeds from fundraising activities	(9)	7,235	180,994
General donation		839,709	793,587
Other income		<u>2,035,331</u>	<u>1,878,142</u>
		21,836,229	34,260,769
EXPENDITURE			
Staff costs	(13)	18,549,907	19,096,612
Depreciation	(13)	442,693	435,165
Training and community activities		1,005,026	924,718
Rent and rates		37,780	37,779
Subscription to affiliated association		4,980	10,233
Administration expenses	(11)	1,398,755	2,469,538
Finance cost	(13)	<u>61,785</u>	<u>10,921</u>
		21,500,926	22,984,966
SURPLUS FOR THE YEAR		335,303	11,275,803
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>335,303</u>	<u>11,275,803</u>

THE NOTES ON PAGES 11 TO 44 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

STATEMENT OF FINANCIAL POSITION


AS AT MARCH 31, 2023

	NOTES	2023	2022
		HK\$	HK\$
Non-Current Assets			
Property, plant and equipment	(14)	-	-
Right-of-use assets	(15)	885,386	-
Intangible assets	(16)	-	-
		885,386	-
Current Assets			
Accounts receivables	(17)	20,741	86,246
Grants receivables	(18)	-	460,528
Deposits and prepayment	(19)	107,918	321,097
Cash at banks and in hand	(20)	26,155,044	24,663,037
		26,283,703	25,530,908
Current Liabilities			
Accounts payables	(21)	187,328	197,950
Temporary receipts		537,621	292,121
Deferred income	(22)	1,356,524	1,198,508
Lease liabilities	(15)	442,229	-
		2,523,702	1,688,579
Net Current Assets		23,760,001	23,842,329
Total Assets less Current Liabilities		24,645,387	23,842,329
Non-Current Liabilities			
Lease liabilities	(15)	467,755	-
NET ASSETS		24,177,632	23,842,329
Represented by:			
OPERATING FUND		21,350,702	21,015,399
OTHER FUNDS			
Central administration fund	(23)	1,142,513	1,142,513
Flag day event surplus	(24)	745,498	745,498
General reserve	(25)	435,000	435,000
Special fund	(26)	503,919	503,919
		24,177,632	23,842,329

APPROVED BY THE EXECUTIVE COMMITTEE ON
ON BEHALF OF THE EXECUTIVE COMMITTEE BY:

14 JUL 2023

AND SIGNED


WONG Hon Chi, Heymans
Chairman


LEE Choi Ha
Executive committee member

THE NOTES ON PAGES 11 TO 44 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED MARCH 31, 2023

	<u>Operating Fund</u>	<u>Central Administration Fund</u>	<u>Flag Day Event Surplus</u>	<u>General Reserve</u>	<u>Special Fund</u>	<u>Total</u>
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance as at April 1, 2021	9,782,483	1,142,513	702,611	435,000	503,919	12,566,526
Total comprehensive income for the year	11,275,803	-	-	-	-	11,275,803
Transfer to flag day event surplus	(151,799)	-	151,799	-	-	-
Transfer from flag day event surplus	108,912	-	(108,912)	-	-	-
Balance as at March 31, 2022 and at April 1, 2022	21,015,399	1,142,513	745,498	435,000	503,919	23,842,329
Total comprehensive income for the year	335,303	-	-	-	-	335,303
Balance as at March 31, 2023	21,350,702	1,142,513	745,498	435,000	503,919	24,177,632

THE NOTES ON PAGES 11 TO 44 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	NOTES	2023	2022
		HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		335,303	11,275,803
Adjustments for :			
Depreciation of right-of-use assets	(15a)	442,693	435,165
Bank interest income		(2,035,331)	(11,455)
Finance cost	(20)	61,785	10,921
(Deficit)/Surplus before working capital changes		(1,195,550)	11,710,434
Decrease in deposits and prepayment		213,179	297,963
Decrease/(Increase) in accounts receivable		65,505	(114,302)
Decrease in grants receivables		460,528	-
Decrease/(Increase) in accounts payable		(10,622)	24,220
Increase/(Decrease) in deferred income		158,016	(398,755)
Increase/(Decrease) in temporary receipts		245,500	(294,849)
Net cash (used in)/generated from operating activities		(63,444)	11,224,711
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received and net cash generated from investing activity		2,035,331	11,455
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital element of lease liabilities paid	(20)	(418,095)	(445,740)
Interest element of lease liabilities paid	(20)	(61,785)	(10,921)
Net cash used in investing activities		(479,880)	(456,661)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,492,007	10,779,505
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		24,663,037	13,883,532
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		26,155,044	24,663,037

THE NOTES ON PAGES 11 TO 44 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Samaritan Befrienders Hong Kong (the "Organization") is a voluntary agency incorporated in Hong Kong on March 10, 1994. The Organization's registered office is located at Unit 1, 3/F, Block B, Shui Tin House, Pak Tin Estate, Kowloon, Hong Kong. It is engaged in preventing suicide and carrying out community education in this respect. The activities are mainly financed by outside donations.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of Preparation

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and interpretations ("Ints")) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Organization's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

The financial statements have been prepared under the historical cost convention and presented in Hong Kong Dollars ("HK\$").

b. Changes in Accounting Policies and Disclosures

In the current year, the Organization has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the financial statements:

- (i) Amendments to HKFRS 3, *Reference to the Conceptual Framework*
- (ii) Amendments to HKAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*
- (iii) Amendments to HKAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*
- (iv) Amendments to HKFRSs, *Annual Improvements to HKFRSs 2018-2020*

The adoption of the amended HKFRSs had no material impact on how the results and financial position of the Organization for the current and prior period have been prepared and presented.

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THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

c. Furniture and Equipment

Furniture and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of the fixed assets, less their estimated residual value, if any, using straight line method over the period of their estimated useful lives at rates per annum as follows:

Office equipment	100%
Computer equipment	100%
Computer system	50%
Leasehold improvement	50%

When assets are subvented by government or third parties, their cost are set off against the grants or subventions received.

When assets are sold or otherwise disposed of, their cost and accumulated depreciation are written off from the financial statements and any resulting gain or loss is included in the statement of comprehensive income and expenditure.

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

d. Intangible Assets

Intangible assets that are acquired are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to statement of comprehensive income and expenditure on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Mobile application	5 years
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The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

When assets are subvented by government or third parties, their cost are set off against the grants or subventions received.

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NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

e. Leases

Definition of a lease

Lease is a contract contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Organization assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Organization as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Organization allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Organization also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated nonlease components as a single lease component.

Short-term leases and leases of low-value assets

The Organization applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

e. Leases (Cont'd)

The Organization as lessee (Cont'd)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Organization; and
- an estimate of costs to be incurred by the Organization in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Organization is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Organization presents right-of-use assets as a separate line item on the statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

e. Leases (Cont'd)

The Organization as lessee (Cont'd)

Lease liabilities

At the commencement date of a lease, the Organization recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Organization uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amount expected to be payable by the Organization under residual value guarantees;
- the exercise price of purchase options, if the Organization is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Organization remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Organization presents lease liabilities as a separate line in the statement of financial position.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

e. Leases (Cont'd)

The Organization as lessee (Cont'd)

Lease modifications

The Organization accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Organization remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Organization accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Organization allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

f. Impairment of Non-Financial Assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss and other comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

f. Impairment of Non-Financial Assets (Cont'd)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss and other comprehensive income in the period in which it arises, (only if there are revalued assets in the consolidated financial statements) unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

g. Financial Instruments

(i) Financial Assets

Initial recognition and measurement

Financial assets of the Organization are classified, at initial recognition, as subsequently measured at amortised cost or fair value through other comprehensive income.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Organization's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Organization has applied the practical expedient of not adjusting the effect of a significant financing component, the Organization initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Organization has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

g. Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Organization's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Organization commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

g. Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Organization's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Organization has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Organization has transferred substantially all the risks and rewards of the asset, or (b) the Organization has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Organization has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Organization continues to recognise the transferred asset to the extent of the Organization's continuing involvement. In that case, the Organization also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Organization has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Organization could be required to repay.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

g. Financial Instruments (Cont'd)

(ii) Impairment of Financial Assets

The Organization recognises loss allowances for expected credit loss ("ECLs") on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases:

- (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and
- (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Organization is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Organization in accordance with the contract and all the cash flows that the Organization expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Organization has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Organization has established a provision matrix that is based on the Organization's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12 months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Organization considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Organization's historical experience and informed credit assessment and including forward-looking information.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets interest income is calculated based on the gross carrying amount.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

g. Financial Instruments (Cont'd)

(ii) Impairment of Financial Assets (Cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Organization determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Organization's procedures for recovery of amounts due.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities of the Organization are loans and borrowings. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss and other comprehensive income.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

g. Financial Instruments (Cont'd)

(iii) Financial liabilities (Cont'd)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating 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 liability, or where appropriate, a shorter period.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

h. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand 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. Bank overdrafts that are repayable on demand and form an integral part of the Organization's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

i. Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Organization and when the revenue can be measured reliably, on the bases as follows:

- (i) Government and other subventions are recognised on an accruals basis.
- (ii) Donations income is recognised when cash is received up to the end of the reporting period.
- (iii) Interest income from bank deposits is accrued on a time proportion basis on the principal outstanding and at the applicable rate.
- (iv) Sundry income is recognised on a receipts basis.
- (v) Courses fee income is recognised when the relevant services are provided.

j. Grants or Donations from Government or Third Parties

Grants or donations from government or third parties, which are earmarked for specific purposes, are initially recognised as deferred income and then they are recognised in the statement of comprehensive income and expenditure over the period necessary to match with the related costs which they are intended to compensate. Grants or donations relating to purchases of assets are set off against the acquisition cost of the assets.

k. Employee Benefits

Employee benefits are all forms of considerations, including wages, salaries, paid leaves, allowances and contribution to retirement benefit scheme payable by the Organization in exchange for services rendered by its employees. The employee benefits are classified as staff costs and charged to the statement of comprehensive income and expenditure.

Employee entitlements to annual leave, sick leave and maternity leave are not recognised until the time of leave as the executive committee members consider that no material liability would arise as a result of such entitlements in the near future.

Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in the statement of comprehensive income and expenditure as incurred.

l. Retirement Benefit Scheme

The Organization participates in Mandatory Provident Fund Scheme ("MPF Scheme"). The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The asset of the MPF Scheme is held separately from those of the Organization in funds under the control of an independent trustee. Pursuant to the rules of the MPF Scheme, each of the employer and employees are required to make contributions to the scheme at rates specified in the rules.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

m. Related Parties

A related party is a person or entity that is related to the Organization:

(A) A person or a close member of that person's family is related to the Organization if that person

- (i) has control or joint control over the Organization;
- (ii) has significant influence over the Organization; or
- (iii) is a member of the key management personnel of the Organization;

(B) An entity is related to the Organization if any of the following conditions applies:

- (i) The entity and the Organization are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Organization or an entity related to the Organization. If the Organization is itself such a plan, the sponsoring employers are also related to the Organization;
- (vi) The entity is controlled or jointly controlled by a person identified in (A);
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) ; and
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Organization or to the Organization's parent.

Close members of the family of a person are those family members who may be expected to influence, or to be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependants of that person or that person's spouse or domestic partner.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

3. FINANCIAL AND FUND RISK MANAGEMENT

Financial Risk Factors

The Organization's activities are exposed to a variety of financial risks, including credit risk, liquidity risk and cash flow and fair value interest rate risk. The Organization's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Organization's financial performance.

(a) Credit risk

The Organization's credit risk is primarily attributable to other receivables, accounts receivables and cash and bank balances. Management has a credit policy in place and the exposure to these credit risks is monitored on an ongoing basis.

In respect of cash and bank balances, the Organization only places deposits with major financial institutions, which management believe are of high credit rating.

In respect of other receivables, the Organization closely monitors the balances and ensures that follow-up actions will be taken to recover overdue balances. The Organization has no significant credit risk resulting from counterparty default.

ECL rates of the accounts receivables are assessed to be minimal, because of the debtor's good background and reputation and no past default history. Thus, the loss allowance provision for such balances was insignificant and no loss allowance provision was recognised in respect of the accounts receivables for the years ended 31 March 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

(b) Liquidity risk

2023
Contractual undiscounted cash outflow

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 March 2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Accounts payables	207,207	-	-	-	207,207	207,207
Temporary receipts	537,793	-	-	-	537,793	537,793
Deferred income	1,356,524	-	-	-	1,356,524	1,356,524
Lease liabilities	<u>479,880</u>	<u>479,880</u>	<u>-</u>	<u>-</u>	<u>959,760</u>	<u>959,760</u>
	2,581,404	479,880	-	-	3,061,284	3,061,284

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 March 2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Accounts payables	197,950	-	-	-	197,950	197,950
Temporary receipts	292,121	-	-	-	292,121	292,121
Deferred income	<u>1,198,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,198,508</u>	<u>1,198,508</u>
	1,688,579	-	-	-	1,688,579	1,688,579

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

3. FINANCIAL AND FUND RISK MANAGEMENT (CONT'D)

(c) Interest rate risk

Other than the bank balances, the Organization has no other significant interest-bearing assets or liabilities. The Organization's bank balances carry at market interest rates and the interest income of which is not significant. Accordingly, the Organization's income and operating cash flows are substantially independent of changes in market interest rates.

No sensitivity analysis or other qualitative or quantitative disclosure relating to each type of risk arising from financial instruments is presented as the executive committee members consider there is no material financial risk exposure to the Organization.

Fair value estimation

The carrying value of financial assets and liabilities are a reasonable approximation of their fair values.

4. FUNDS MANAGEMENT

The Organization's objectives when managing funds are:

1. To safeguard the Organization's ability to continue as a going concern, so that it continues to provide service to society of preventing suicide and carrying out communally education in this respect.
2. To support the Organization's stability and growth; and
3. To provide funds for the purpose of strengthening the Organization's risk management capability.

The Organization actively and regularly reviews and manages its funds structure to ensure optimal funds structure, taking into consideration the future funds requirements of the Organization.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Organization's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their Organizationing disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Organization's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets

In determining whether an asset is impaired or whether the event previously causing the impairment no longer exists, the Organization has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value, or such an event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could have a material effect on the net present value used in the impairment test.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

6. GRANT FROM THE COMMUNITY CHEST

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Baseline allocation	2,096,100	2,096,100
	=====	=====

7. GOVERNMENT SUBVENTION

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Social Welfare Department:		
Block Grants	37,128	81,790
Lump Sum Grant	14,237,364	14,041,586
Rents and Rates		
- Suicide Crisis Intervention Centre	352,872	149,714
- Hotline Centre	-	136,320
- Life Education Centre	-	204,420
Social Welfare Development Fund	-	476,505
Partnership Fund for the Disadvantaged	-	142,114
Lotteries Fund - Wi-Fi Service Allocation	3,456	3,456
Special Grant (against the Spread of Coronavirus Disease 2019)	11,000	9,000
Anti-epidemic Fund:		
Employment Support Scheme	84,000	-
	14,725,820	15,244,905
	=====	=====

8. GRANT FROM THE HONG KONG JOCKEY CLUB CHARITIES TRUST

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Community Project Grant	1,420,000	1,363,027
Life-Connect Resources Network	711,862	1,347,746
	2,131,862	2,710,773
	=====	=====

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

9. PROCEEDS FROM FUNDRAISING ACTIVITIES

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Donation box	7,235	6,847
Flag Day Event	<u>-</u>	<u>174,147</u>
	7,235	180,994
	=====	=====

10. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

No fees or other emoluments were paid or payable to the executive committee members during the year (2022: Nil).

11. ADMINISTRATION EXPENSES

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Advertising expenses	38,162	23,739
Annual dinner and other activities	5,240	-
Auditors' remuneration	38,000	39,000
Bank charges	28,326	23,500
Cleaning expenses	69,329	51,422
Consultancy fee	2,000	-
Electricity and water	188,169	165,075
General meeting expenses	16,188	51,375
Insurance	144,194	130,740
Internet expenses	9,048	9,458
Medical expenses	14,419	10,637
Office supplies	58,020	103,620
Penalty	2,400	-
Professional fee	24,905	47,300
Postage and stamps	7,305	9,333
Printing and stationery	91,915	226,281
Publications and newspaper	38,192	44,680
Recruitment expenses	36,398	28,288
Repairs and maintenance	170,777	202,507
Snacks and refreshment	11,402	10,309
Sundry expenses	5,770	11,163
Telephone and fax	66,107	69,183
Traveling expenses and allowance	43,672	96,955
Web-page design and computer expenses	<u>288,817</u>	<u>1,114,973</u>
	1,398,755	2,469,538
	=====	=====

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

12. TAXATION

The Organization is granted tax exemption under Section 88 of the Hong Kong Inland Revenue Ordinance.

13. SURPLUS BEFORE TAX

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Surplus before taxation is stated after charging:		
(a) Finance cost		
Interest on lease liabilities (Note 20)	61,785	10,921
(b) Staff costs:		
Salaries and other costs	17,471,909	18,017,412
MPF contributions	1,077,998	1,079,200
Staff training	89,438	6,700
	<u>18,639,345</u>	<u>19,103,312</u>
(c) Other items:		
Auditor's remuneration	38,000	39,000
Depreciation	442,693	435,165

14. PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment</u>	<u>Computer equipment</u>	<u>Computer system</u>	<u>Leasehold improvement</u>	<u>Total</u>
	HK\$	HK\$	HK\$	HK\$	HK\$
<u>Cost</u>					
At 1/4/2021, 31/3/2022 and 31/3/2023	134,884	43,778	61,645	299,383	539,690
<u>Accumulated Depreciation</u>					
At 1/4/2021, 31/3/2022 and 31/3/2023	<u>134,884</u>	<u>43,778</u>	<u>61,645</u>	<u>299,383</u>	<u>539,690</u>
<u>Net Carrying Amount</u>					
At 31/3/2023	-	-	-	-	-
At 31/3/2022	-	-	-	-	-

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

15. LEASES

This note provides information for leases where the Organization is a lessee.

(a) Right-of-use assets

	<u>Office and Service Centres</u>
<u>Cost</u>	HK\$
As at 1/4/2021	435,165
Depreciation charge	<u>(435,165)</u>
At 31/3/2022 and 1/4/2022	-
Additions	1,328,079
Depreciation charge	<u>(442,693)</u>
At 31/3/2023	885,386
	=====

The Organization entered into lease agreements in respect of 2 premises for office and service centres purpose from April 1, 2022. The lease terms are three years with no extension or termination options and all the lease payments are fixed. Depreciation is provided to write off the cos of items of right-of-use assets over their expected useful lives using straight line method. To determining the lease term and assessing the length of the non-cancellable period, the Organization applies the definition of a contract and determines the period for which the contracts are enforceable.

The Organization does not have the option to purchase the right-of-use assets for a nominal amount at the end of the lease terms.

(b) Lease liabilities

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Within one year	442,229	-
Within a period of more than one year but not more than two years	<u>467,755</u>	<u>-</u>
	909,984	-
Less: Amount due for settlement with 12 months shown under current liabilities	<u>(442,229)</u>	<u>-</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>467,755</u>	<u>-</u>
	=====	=====

The total cash outflow (including short-term lease) for leases during the year ended March 31, 2023 was HK\$479,880 (2022: HK\$456,661).

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

16. INTANGIBLE ASSETS

Mobile Application "Chat隆"

<u>Cost</u>	HK\$
At 1/4/2021, 31/3/2022 and 31/3/2023	
Cost	668,000
Grants and donation received	<u>(668,000)</u>
	-

<u>Accumulated Aortisation</u>	
At 1/4/2021, 31/3/2022 and 31/3/2023	-

Net Carrying Amount	
At 31/3/2022 and 31/3/2023	-
	=====

The mobile application "Chat隆" is an emotional support and personal growth tool that can be used on smartphones, tablets and computer browsers to provide suicide prevention services to Hong Kong residents.

17. ACCOUNTS RECEIVABLES

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Suicide Crisis Intervention Centre	4,999	84,446
Caring Fund	1,742	-
Ur-Link Professional Training & Development Centre	1,500	-
Life Education Centre	<u>12,500</u>	<u>1,800</u>
	20,741	86,246
	=====	=====

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

18. GRANTS RECEIVABLES

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
The Hong Kong Jockey Club Charities Trust - Life-Connect Resources Network	-	460,528
	=====	=====

19. DEPOSITS AND PREPAYMENT

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Deposits		
Suicide Crisis Intervention Centre	244	244
Hotline Centre	4,650	4,650
Life Education Centre	56	56
Ur-Link Professional Training and Development Centre	100	100
Central Administration	31,000	31,000
	36,050	36,050
	-----	-----
Prepayment		
Suicide Crisis Intervention Centre	21,816	26,320
Hotline Centre	28,668	21,233
Life Education Centre	3,984	211,018
Caring Fund	1,792	1,107
Ur-Link Professional Training and Development Centre	1,900	1,226
Central Administration	13,708	24,143
	71,868	285,047
	-----	-----
	107,918	321,097
	=====	=====

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

20. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Cash at banks and in hand	26,155,044	24,663,037
	=====	=====
Reconciliation of liabilities arising from financing activities:		Lease liabilities
		HK\$
As at 1/4/2021		445,740
Financing cash outflows:		
Capital element of lease rental paid		(445,740)
Finance costs paid		(10,921)
Finance costs		10,921
		=====
As at 31/3/2022 and 1/4/2022		-
Financing cash outflows:		
Additional of lease liabilities		1,328,079
Capital element of lease rental paid		(418,095)
Finance costs paid		(61,785)
Finance costs		61,785
		=====
As at 31/3/2023		909,984
		=====

21. ACCOUNTS PAYABLES

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Caring Fund	-	3,600
Central Administration	187,328	194,350
	=====	=====
	187,328	197,950
	=====	=====

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

22. DEFERRED INCOME

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
The Hong Kong Jockey Club Charities Trust		
- Community Project Grant	106,554	106,554
Social Welfare Department		
- Block Grant (Note 27)	1,209,006	1,035,134
- Wi-Fi Project (Note 28)	40,964	31,220
- Special Grant (against the Spread of Coronavirus Disease 2019)	-	11,000
Other business sponsor	-	14,600
	<u>1,356,524</u>	<u>1,198,508</u>

23. CENTRAL ADMINISTRATION FUND

Central administration fund was set up for service development and increase in personal emoluments in the future. No movement during the year.

24. FLAG DAY EVENT SURPLUS

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Balance b/f	745,498	702,611
Net proceeds of Flag Day Event during the year	<u>-</u>	<u>151,799</u>
	745,498	854,410
Expenditure charged to the Flag Day Event Surplus:		
Life drama program		
- Activity expenses	-	97,298
"Live the Rainbow" Life education		
- Activity expenses	<u>-</u>	<u>11,614</u>
	-	108,912
	<u>745,498</u>	<u>745,498</u>

The objective of the Flag Day fund-raising is to carry out suicide prevention education, including seminars, sharing sessions, workshops and related activities and provide support service for suicidal survivors. No movement during the year.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

25. GENERAL RESERVE

General reserve was set up for general purpose in the future. There was no movement during the year.

26. SPECIAL FUND

Special fund was set up to provide capital for improvements and setting up new center. There was no movement during the year.

27. THE F&E REPLENISHMENT AND MINOR WORKS BLOCK GRANT

Block Grant is under the Lotteries Fund and used for minor works and replenishment of furniture and equipment of existing premises providing SWD subvented services.

A. Movement of the Reserve

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Balance of reserve brought forward from previous financial year	1,035,134	903,924
	-----	-----
Add: Block Grant received during the year	213,000	213,000
	-----	-----
Less: Expenditure during the year Furniture and equipment	39,128	81,790
	-----	-----
Balance of reserve carried forward to the next financial year (Note 22)	1,209,006	1,035,134
	=====	=====

B. Commitment

At the end of reporting period, there was no outstanding commitment in respect of F&E Replenishment and Minor Works Grant.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

28. LOTTERIES FUND EXPERIMENTAL PROJECT OF LIMITED DURATION

Pilot Project on Provision of Wi-Fi Service is funded by the Lotteries Fund. It is a four-year pilot scheme project providing Wi-Fi service and aims to provide Wi-Fi service at social welfare facilities which are open to service users and the public for long hours.

Wi-Fi Project (Grant Code: 35141-837-4510-0000; Completion Date: December 31, 2023)

	<u>2023</u>
(Completion Date: December 31, 2023)	HK\$
Balance of reserve brought forward from previous financial year	31,220

Add: Lotteries Fund Grant	13,200

Less: expenditure during the year Operating expenses	3,456

Balance of reserve carried forward to the next financial year (Note 22)	40,964
	=====

29. PUBLIC SUBSCRIPTION EVENT

No public subscription event was held by the Organization during the year.

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

30. SUICIDE CRISIS INTERVENTION CENTRE

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
<u>Income</u>		
Subventions from Social Welfare Department	14,641,992	14,904,165
Bank interest income	8,380	118
Courses fee and sundry income	49,688	12,950
General donations income	200	1,000
	<u>14,700,260</u>	<u>14,918,233</u>
<u>Expenses</u>		
Advertising	-	1,677
Auditors' remuneration	16,081	16,504
Bank charges	1,110	860
Block grant expenses	39,128	-
Cleaning expenses	27,798	13,816
Contribution to MPF	807,896	811,505
Depreciation	185,313	134,935
Electricity and water	75,969	62,309
Insurance	59,842	53,060
Interest expenses of lease	25,863	3,386
Internet expenses	4,767	5,079
Medical expenses	1,917	9,666
Office supplies	800	82,383
One off special grant expenses	11,000	-
Postage and stamps	1,678	2,193
Printing and stationery	12,903	90,309
Recruitment expenses	7,157	6,371
Rent and rates	16,335	12,100
Repairs and maintenance	74,254	134,628
Salaries	13,256,619	13,458,008
Snacks and refreshment	133	-
Staff training	85,400	6,000
Sundry expenses	1,325	2,907
Telephone and fax	27,519	30,430
Training and community activities	42,877	14,646
Traveling expenses and allowance	13,594	11,471
Web-page design and computer expenses	4,447	861,996
	<u>14,801,725</u>	<u>15,826,239</u>
Deficit for the year	<u>(101,465)</u>	<u>(908,006)</u>

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

31. HOTLINE CENTRE

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
<u>Income</u>		
Grant from The Community Chest	2,096,100	2,096,100
Subventions from Social Welfare Department		
- Rent and rate	-	136,320
Bank interest income	2,487	62
Donation from Wong Kim Shun Will Trust	-	60,000
General donations income	1,348	24,600
Courses fee and sundry income	<u>110,382</u>	<u>132,027</u>
	2,210,317	2,449,109
	-----	-----
<u>Expenses</u>		
Auditors' remuneration	9,612	9,865
Bank charges	680	1,343
Central administration expenses	110,516	122,455
Cleaning expenses	23,460	23,642
Contribution to MPF	107,457	95,748
Depreciation	122,856	120,767
Electricity and water	70,054	65,889
General meeting expenses	-	46,605
Insurance	17,983	15,822
Interest expenses of lease	17,147	3,031
Internet expenses	3,564	3,631
Medical expenses	343	571
Office supplies	14,902	13,197
Postage and stamps	1,570	1,440
Printing and stationery	37,864	49,739
Publications and newspapers	13,992	4,861
Rent and rates	8,559	9,587
Repairs and maintenance	39,013	26,224
Salaries	1,573,894	1,483,698
Snacks and refreshment	11,240	9,840
Subscription to affiliated association	4,980	10,133
Sundry expenses	65	1,577
Telephone and fax	18,456	18,328
Training and community activities	46,108	29,559
Traveling expenses and allowance	26,481	81,509
Web-page design and computer expenses	<u>30,026</u>	<u>81,968</u>
	2,310,822	2,331,029
	-----	-----
(Deficit)/Surplus for the year	<u>(100,505)</u>	<u>118,080</u>
	=====	=====

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

32. LIFE EDUCATION CENTRE

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
<u>Income</u>		
Subventions from Social Welfare Department		
- Rent and rate	-	204,420
Anti-epidemic Fund:		
Employment Subsidy Scheme	12,000	-
Grant from The Hong Kong Jockey Club		
Charities Trust	2,131,862	2,710,773
Bank interest income	1,237	17
Courses fee and sundry income	125,150	98,380
	2,270,249	3,013,590
	-----	-----
<u>Expenses</u>		
Advertising expenses	7,192	258
Auditors' remuneration	8,696	9,680
Bank charges	1,620	945
Central administration expenses	141,517	167,617
Cleaning expenses	7,376	4,737
Contribution to MPF	109,533	130,307
Depreciation	182,568	179,463
Electricity and water	17,339	15,260
Insurance	11,210	12,049
Interest expenses of lease	25,480	4,504
Internet expenses	289	310
Medical expenses	-	400
Office supplies	418	6,460
Postage and stamps	2,042	1,703
Printing and stationery	16,831	22,453
Publications and newspapers	8,479	11,840
Recruitment expenses	2,476	2,386
Rent and rates	12,886	16,092
Repairs and maintenance	16,831	11,072
Salaries	1,811,772	2,378,473
Snacks and refreshment	-	307
Staff training	3,000	700
Sundry expenses	2,568	2,915
Telephone and fax	7,528	8,327
Training and community activities	69,394	53,933
Traveling expenses and allowance	1,727	2,579
Web-page design and computer expenses	240,487	4,017
	2,709,259	3,048,787
	-----	-----
Deficit for the year	(439,010)	(35,197)
	=====	=====

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

33. CARING FUND

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
<u>Income</u>		
Donation from Wong Kim Shun Will Trust	-	11,296,268
General donations income	838,761	767,987
Bank interest income	167,057	11,258
Proceeds from fundraising activities	7,235	180,994
Activities and sundry income	<u>1,957</u>	<u>200</u>
	1,015,010	12,256,707
	-----	-----
<u>Expenses</u>		
Advertising expenses	30,970	21,804
Annual dinner and other activities	9,424	-
Auditors' remuneration	719	738
Bank charges	20,385	15,472
Central administration expenses	50,751	160,985
Cleaning expenses	2,038	1,047
Contribution to MPF	-	(5,747)
Electricity and water	6,202	6,358
General meeting expenses	-	4,700
Insurance	5,372	4,912
Internet expenses	107	129
Postage and stamps	826	2,374
Printing and stationery	598	50,296
Professional fee	24,000	24,000
Publications and newspapers	28,623	27,979
Recruitment expenses	811	11,518
Repairs and maintenance	5,585	4,144
Subscription to affiliated association	-	100
Sundry expenses	337	204
Telephone and fax	4,497	4,494
Training and community activities	10,213	24,348
Traveling expenses and allowance	404	735
Web-page design and computer expenses	<u>12,125</u>	<u>156,423</u>
	213,987	517,013
	-----	-----
Surplus for the year	<u><u>801,023</u></u>	<u><u>11,739,694</u></u>

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG
財務報表附註
NOTES TO THE FINANCIAL STATEMENTS

34. UR-LINK PROFESSIONAL TRAINING AND DEVELOPMENT CENTRE

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
<u>Income</u>		
Anti-epidemic Fund:		
Employment Subsidy Scheme	32,000	-
Courses and community program fee income	1,568,000	1,621,650
Sundry income	-	1,480
	<u>1,600,000</u>	<u>1,623,130</u>
	-----	-----
<u>Expenses</u>		
Auditors' remuneration	719	738
Central administration expenses	80,000	81,157
Cleaning expenses	3,520	3,049
Contribution to MPF	31,856	26,468
Electricity and water	6,202	5,086
General meeting expenses	-	70
Insurance	9,301	8,856
Internet expenses	107	103
Office supplies	2,119	-
Postage and stamps	206	398
Printing and stationery	2,714	2,564
Recruitment expenses	1,288	-
Repairs and maintenance	11,455	2,449
Salaries	465,626	418,979
Sundry expenses	-	43
Telephone and fax	3,445	3,444
Training and community activities	836,433	802,232
Traveling expenses and allowance	21	29
Web-page design and computer expenses	769	7,122
	<u>1,455,781</u>	<u>1,362,787</u>
	-----	-----
Surplus for the year	<u>144,219</u>	<u>260,343</u>
	=====	=====

香港撒瑪利亞防止自殺會
THE SAMARITAN BEFRIENDERS HONG KONG

NOTES TO THE FINANCIAL STATEMENTS

35. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED MARCH 31, 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended March 31, 2023 and which have not been adopted in these financial statements. These include the following which may be relevant to the Organization.

HKFRS 17 (including the October Insurance Contracts ¹ 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or 1 January 2024.

The directors anticipate that all of the pronouncements will be adopted in the Organization's accounting policy for the first period beginning on or after the effective date of the pronouncement. These new and amended HKFRSs are not expected to have a material impact on the Organization's financial statements.

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Organization Committee on 14 JUL 2023