

新生精神康復會  
**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**  
*[incorporated in Hong Kong and limited by Guarantee]*

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31ST MARCH 2022**

**F. S. Li & Co.**  
李福樹會計師事務所  
CERTIFIED PUBLIC ACCOUNTANTS  
HONG KONG

# **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED 31ST MARCH 2022**

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# **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

## **EXECUTIVE COMMITTEE MEMBERS**

### **Chairperson**

Miss TAM Kam Lan, Annie, GBS, JP

### **Vice-chairperson**

Dr. YU Chi Shing, Edwin, MH

### **Honorary Secretary**

Dr. CHEUNG Hung Kin

### **Honorary Treasurer**

Mr. KONG Yook Seng

### **Members**

Dr. LEE Chi Chiu

Ms. LEE Helen, SBS

(appointed on 17/9/2021)

Dr. LO Wai Fan, Alison

Mr. TSE Kam Keung

(resigned on 17/9/2021)

Ms. WOO Yuen Ling

Dr. YEUNG Kwok Wah, Allen

Mr. YOUNG Wai Tsing, Stephen

Dr. YU Wai Tak

(resigned on 17/9/2021)

Mr. YU Wai Wai, JP

(appointed on 17/9/2021)

Dr. YUEN Cheung Hang, Henry

# **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

## **REPORT OF EXECUTIVE COMMITTEE**

The Executive Committee members have pleasure in presenting their report together with audited consolidated financial statements of the Association and its subsidiary [together referred to as "the Group"] for the year ended 31st March 2022.

### **EXECUTIVE COMMITTEE MEMBERS**

The names of persons who were the Executive Committee Members of the Association during the financial year are listed on page 1.

In accordance with Article 23 of the Association's Articles of Association, the term of office of the Executive Committee members shall be one year while the Chairperson and other Office Bearers shall have a fixed three-year term, all are eligible for re-election for another term.

All Executive Committee members will retire at the forthcoming annual general meeting and being eligible offer themselves for re-election.

The names of persons who were the directors of the subsidiary during the financial year are as follows:

Miss TAM Kam Lan, Annie, GBS, JP  
Dr. CHEUNG Hung Kin

### **PRINCIPAL ACTIVITIES**

The principal activities of the Group are to establish and carry on residential, vocational rehabilitation, employment and job training, social enterprises, family support, self-help and mutual help, mental health promotion and prevention, community mental health services or any such projects on a non-profit making basis for people with mental illness, their families and the general public.

### **PERMITTED INDEMNITY PROVISION**

There is a permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) in force for the benefit of the Executive Committee Members of the Association during the year and at the time of approval of this report.

### **EXECUTIVE COMMITTEE MEMBERS' INTERESTS**

No material transactions, arrangements and contracts in relation to the Association's operation were entered by to which the Association's subsidiary company and in which an Executive Committee member had a material interest subsisted at the end of the year or at any time during the year.

## **EXECUTIVE COMMITTEE MEMBERS' INTERESTS (continued)**

At no time during the year nor at the end of the year was the Association or its subsidiary company a party to any arrangements to enable the Executive Committee members of the Association to acquire benefits by means of the acquisition of debentures of the Association or the acquisition of shares in or debentures of any other body corporate.

## **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the Association were entered into or existed during the year.

## **BUSINESS REVIEW**

### **(I) A fair review of the Association's services**

Established in 1965 and incorporated in 1969, the Association is a non-government organisation specialising in delivering community mental health services in Hong Kong. We aim to make a positive difference by advocating for equal opportunities for people in recovery of mental illness (PIR), enhancing their quality of life, and moving towards an inclusive society through direct services, social enterprises, mental health education, mutual aid and family support.

#### **Vision**

We strive to promote mental wellness for PIR and for their families and the general public with the ultimate goal of equal opportunities, social inclusion, acceptance and full participation for all in the community.

#### **Mission**

We are dedicated to pioneering and delivering people-focused, recovery-oriented, and evidence-based community mental health services with care and respect, innovation and continuous drive for excellence and professionalism.

The Association currently operates more than 70 service units/projects and 23 social enterprises serving total number of service users 90,567.

### **(II) Core Services**

#### **(a) Community Services**

Integrated Community Centre for Mental Wellness (ICCMW) is an integrated centre that offers district-based and one-stop community support service accessible for PIR, persons with suspected mental health problems, caregivers and residents. The ICCMW also provides public education on mental wellness to residents living in the service area. The Association now operates seven ICCMWs in Tin Shui Wai, Sham Shui Po, Yau Tsim Mong, Shatin, Kwai Chung, Tuen Mun and Island Districts.

**BUSINESS REVIEW (continued)**

**(II) Core Services (continued)**

**(b) Residential Services**

To support the integration of PIR in the community with different level of care and support, the residential service provides 24-hour recovery-oriented services to residents who are not yet ready for independent living. The Association operates 2 long stay care homes, 11 halfway houses, 4 self-financed hostels, 1 supported hostels, and 2 hostels for the moderately mentally handicapped.

**(c) Vocational Rehabilitation Services**

Through work training as well as supported and open employment, the Association promotes upward mobility, self-reliance and social integration among people living with various degrees of disabilities. The Association runs 4 sheltered workshops, 2 integrated vocational rehabilitation service centres, and 1 supported employment service centre.

**(d) Social Enterprises**

The Association currently operates 23 social enterprises to provide work and training opportunities for PIR.

**(e) Family Support**

Family participation can effectively enhance the recovery of PIR in strengthening their abilities and improving family relationships. Hence, the Association is proactive in extending support to family caregivers as partners in embracing PIR on their journey of recovery.

**(f) Services for people challenged by Autism Spectrum Disorders (ASD)**

To enhance the social competence, self-independence and employability of people challenged by ASD, the Association implemented projects to promote peer-support among the youths, empower family members to support the education and employment development needs of their children as well as to enhance public understanding of persons challenged by ASD, thereby fostering their integration to community and achievement of a meaningful living. The Association operates 3 centres to provide services for people challenged by ASD.

**(g) Training, Research and Development**

Through the Jockey Club New Life Institute of Psychiatric Rehabilitation, the Association delivers mental health education and tailor-made professional training for mental health practitioners and the general public.

**BUSINESS REVIEW (continued)**

**(II) Core Services (continued)**

**(h) Clinical Psychological Services**

The Association's clinical psychological service emphasizes on evidenced-based, people-oriented and strength-based practice. Services include individual psychological assessment and intervention, group therapy, consultation, professional training as well as psychology-related workshops.

**(III) Principle risks and uncertainties**

The Executive Committee assumes the overall responsibility for the Association's risk management. Subcommittees provide guidance to senior management to address risks in their respective domains. Risk management policy is established to identify, assess, manage and monitor risks.

The Internal Audit Department of the Association provides independent assessment and assurance to Executive Committee and management on the adequacy and effectiveness of internal controls of the Association. The Internal Audit Department operates independently and reports to the Finance and Administration Subcommittee directly.

In 2021/22, Internal Audit Department completed the reviews of Tendering Exercise, Occupational Safety and Health and Professional Service SQS. The audit reports and recommendations had been discussed with relevant departments and management, and reported to the Finance and Administration Subcommittee and Executive Committee.

**(a) Financial Risks**

Our funding comes from grant, fee income, donation and investment activities. The majority of grant is provided by the Social Welfare Department for delivering most of the Association's recurrent welfare services. Other grant-making bodies provide funding to support designated welfare service projects and initiatives most of which are time-limited. Fee income is user fees and charges received from providing welfare services. Investment income represents bank interest, dividend income and investment gain obtained from our investing activities as guided by the investment policy.

The Association's total income for this financial year 2021/22 was HK\$609 million. The two major sources of income were Lump Sum Grant from the Social Welfare Department for delivering recurrent welfare services (68.99%) and the fee income received for providing welfare services (15.55%). Grants from The Hong Kong Jockey Club Charities Trust, Lotteries Fund and The Community Chest of Hong Kong made up about 7.48%, 1.95% and 0.23% of the total income, respectively. Donation, investment income and other income represented the remaining 5.80% of the annual income.

**BUSINESS REVIEW (continued)**

**(III) Principle risks and uncertainties (continued)**

**(a) Financial Risks (continued)**

The total expenditure of the Association's operations for this financial year 2021/22 was HK\$600 million. Cost of service operation and service support represented 81.69% and 13.18% of the total expenditure respectively. Management and administration cost constituted about 5.12% of the annual expenditure.

In financial year 2021/22, there was an overall surplus of HK\$9 million. As of 31 March 2022, the Association was in a net asset position. It was considered to be financially sustainable.

**(b) Manpower Risks**

Recruitment and retention of manpower especially for paramedical and frontline staff due to competitive labour market and limited supply has been challenging. While this may affect the provision of quality services, various recruitment strategies and retention measures have been put in place to address the manpower risks. These include effective policies and procedures to support employee health, along with providing supporting services such as Employee Assistance Program, Flexible Work Hours, Occupational Health and Safety to enhance employee wellbeing.

The unceasing COVID-19 pandemic has caused unpredictable changes and disruptions in organizations across almost every industry and the Association is no exception. While the pandemic is raising new changes and challenges across organizations, it has also created an opportunity and put us on the verge of historic improvements and adjustments to keep employees and supervisors focused on positive behaviours and actions during COVID-19 and beyond. We greatly appreciate the patience and dedication of all our staff members as we navigate the Association's response to the COVID-19 health emergency.

**(c) Service Quality Risks**

To monitor the compliance of Service Quality Standards (SQS) set by the Social Welfare Department (SWD), all service units have to complete self-assessments and internal audits on a regular basis. Experience Sharing sessions were organized among staff on SWD's Special Visiting Program (SVP) of SQS. In addition, training workshops were regularly held to familiarize staff at all levels with "SQS" requirements. The Association also set out and implemented the Year Plan on Occupational Safety and Health. Regular safety audits in all service units were conducted and the recommendations were followed up with improvement actions taken.



**BUSINESS REVIEW (continued)**

**(IV) Key Relationships**

**(a) Membership**

The Association's membership is open to persons who support the objects of the Association and pay a fee. The Association offers two categories of membership – Life Member and Ordinary Member. In 2021/22, the Association maintains a membership of 177.

**(b) Service Recipients**

Service recipients of the Association are mainly PIR, people with disabilities, and persons challenged by ASD who meet the admission criteria of service in need; their family members, caregivers; and the general public. The Association appreciated the participation of service recipients and family members in the Association's subcommittees and task groups. Their lived experiences enriched the exchange during the meetings.

**(c) Staff**

The Association has a workforce of approximately 1,300 staff comprising of professional, management, administrative, frontline and support staff.

**(d) External Partners**

External partners of the Group include:

- i) Government departments and Bureaus;
- ii) Donors and funding bodies;
- iii) Corporations in partnership with the Group;
- iv) China and overseas counterparts;
- v) Mutual aid organisations for people in recovery and carers; and
- vi) Volunteer groups and individuals.

The Association maintains a good relationship with all these external partners so as to deliver mental health services with care and respect, innovation and continuous drive for excellence and professionalism.

**(V) Environmental Friendliness and Social Responsibility**

The Association made continuous efforts to implement environmental friendly initiatives and foster diffusion of knowledge of environment protection and nature conservation within service units and among service users and staff. The Association carried out various green initiatives and activities during the year including:

**BUSINESS REVIEW (continued)**

**(V) Environmental Friendliness and Social Responsibility (continued)**

- (a) Funded by the Environmental and Conservation Fund, the Association operated food sharing projects in Kwai Tsing and Tsuen Wan, and Wong Tai Sin districts. From June 2021 to March 2022, the Association collected 62,938 kg of surplus food and distributed it to 19,907 beneficiaries in Kwai Tsing and Tsuen Wan district. 49,479 kg of surplus food was collected and distributed to 27,971 beneficiaries in Wong Tai Sin district in 2021/22.
- (b) Funded by the Environmental and Conservation Fund, the “Coffee Parade” entered its second year of service. In 2021/22, more than 73,000 kg of food waste was collected and 27,000 kg of compost was produced.
- (c) The Association successfully extended another 3-year contract for Green@Kwai Tsing by the Environmental Protection Department in May 2021. In 2021/22, over 617 tons of recyclables with support from 165 residential estates and partner organisations were collected. The cumulative recycling volume has exceeded 1,507 tons since 2018. Green@Kwai Tsing was also awarded “Friends of EcoPark” by EcoPark in December 2021. To encourage the public’s involvement in waste reduction and recycling during the pandemic, Green@Kwai Tsing organised online educational activities including 13 featured events and 160 workshops with a total of 8,610 attendees.
- (d) With funding support from the Food Commons Foundation since 2012, the project received food donations from over 100 corporations, organisations and food donors. In 2021/22, the Association distributed more than 25,225.4 kg of surplus food to 18,206 beneficiaries in Tuen Mun district.

**(VI) Important events for Financial Year 2021/22**

- (a) Despite the impact of unceasing COVID-19 pandemic in the community, the Association has continued to provide professional service, holistic care and round-the-clock support to people in recovery from mental illness. During the COVID-19 outbreak, various infection control measures were strengthened including regular mist disinfection of units, social distancing arrangement, psycho-education programs, health promotion and distribution of the handy infection control pack to PIR, sufficient personal protective equipment and isolation procedure for PIRs with potential risk of contraction.

**BUSINESS REVIEW (continued)**

**(VI) Important events for Financial Year 2021/22 (continued)**

- (b) The Association opened a new café, branded "so330", at Wanchai District in June 2021. "so330" offered various organic food and fair trade products to customers, with the aims of promoting the benefits of healthy eating to public and providing training and work opportunities to PIR.
- (c) In December 2021, the Association was successfully awarded bid by the Social Welfare Department to operate a 400-place Long Stay Care Home in the Siu Lam Integrated Rehabilitation Services Complex in Tuen Mun, with the aims of providing long term residential care, active maintenance services and recovery-oriented services for PIR from chronic mental illness.
- (d) Funded by the Food and Health Bureau, the Association was successfully awarded three 2-year projects, namely (i) Mental Wellness "Lay Leader: Training and Promotion Project – Mental Wellness in Action, (ii) Emotional Fitness Intervention to All (eFIT) Psychoeducation Programme), and (iii) "Family Fan" Training and Support Services Scheme in January 2022, with the aims of providing better support to the needy in the community and raising public awareness of mental health.

**(VII) Future Likely Developments**

- (a) The 400-place Long Stay Care Home in the Siu Lam Integrated Rehabilitation Services Complex in Tuen Mun would commence its operation in late March 2023.
- (b) Tin King Sheltered Workshop was granted funding support by The Hong Kong Jockey Club Charities Trust for a renovation cum service re-structuring enhancement project. Apart from improving the environment, a stepped care vocational rehabilitation training model was adopted to cater to the different needs of polarised age groups. Nursing facilities with intelligent technology and multimedia training equipment were introduced to enhance training elements for service users and maintain their body, mind, spirit and well-being at an optimal level.

**BUSINESS REVIEW (continued)****(VIII) Results and Reserves**

Financial results for the year ended 31st March 2022 and movements in the funds and reserves are set out in the statement of comprehensive income and the statement of changes in funds and reserves on pages 14 to 20.

	2021/22	2020/21
Operating Reserve Ratio (average operating reserve / expenditures):		
- Subvented services	47%	41%
- Non-subvented services	58%	85%
Current Ratio (current assets / current liabilities)	6.4	7.6

The Association maintains a healthy financial position. The operating reserve ratio indicated that the reserves of subvented services and non-subvented services can meet about 6 and 7 months expenditures respectively even in a zero-income condition, reflecting a careful and sound financial management. Its current ratio also reveals the strong ability of the Association to meet its current obligations.

On behalf of the Executive Committee



Miss TAM Kam Lan, Annie, GBS, JP  
Chairperson

**12 AUG 2022**

# F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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Tel : 2861 1717 Fax : 2865 6828 Email : mail@fslico.com

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

*[incorporated in Hong Kong and limited by guarantee]*

#### **Opinion**

We have audited the consolidated financial statements of New Life Psychiatric Rehabilitation Association and its subsidiary ["the Group"] set out on pages 14 to 51, which comprise the consolidated statement of financial position as at 31st March 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in funds and reserves and the consolidated 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31st March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ["HKFRSPE"] 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 Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ["the Code"], and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Executive Committee Members are responsible for the other information. The other information comprises all the information included in the list of Executive Committee Members on page 1 and the Report of Executive Committee on pages 2 to 10, but does not include the consolidated financial statements and our auditor's report thereon.

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

**Information other than the consolidated financial statements and auditor's report thereon**  
(continued)

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.

**Responsibilities of Executive Committee Members and those charged with governance for the consolidated financial statements**

The Executive Committee Members are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSPE 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Executive Committee Members are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for 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 consolidated 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 consolidated 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.

**Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

- 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 Group'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 directors' 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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.



F. S. Li & Co.  
Certified Public Accountants

Hong Kong, **12 AUG 2022**

# **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION** **AT 31ST MARCH 2022**

	<u>Note</u>	<u><b>2022</b></u> <b>HK\$</b>	<u><b>2021</b></u> <b>HK\$</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	12,454,011	11,893,157
Equity investments at fair value through other comprehensive income	7	<u>5,439,300</u>	<u>6,279,190</u>
		17,893,311	18,172,347
<b>CURRENT ASSETS</b>			
Inventories - goods for sale		869,682	1,125,757
Accounts and other receivables	8	48,555,876	45,310,889
Time deposits with banks	9	227,106,981	235,150,484
Bank and cash balances		65,446,200	43,311,832
		341,978,739	324,898,962
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	10	(53,426,797)	(44,621,446)
<b>NET CURRENT ASSETS</b>		<u>288,551,942</u>	<u>280,277,516</u>
<b>NET ASSETS</b>		306,445,253	298,449,863
<b>NET ASSETS HELD ON BEHALF OF MINDSET PLACE - property management account</b>	11	<u>120,026</u>	<u>148,147</u>
		<u><u>306,565,279</u></u>	<u><u>298,598,010</u></u>



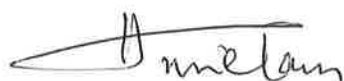
# NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2022

(Continued)

<i>representing:</i>	<u>Note</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
<b>DESIGNATED FUNDS</b>			
Reserved Fund	12	86,111,050	86,522,705
Investment Revaluation Reserve	13	(1,194,964)	(1,447,315)
Staff Welfare and Development Fund	14	5,425,943	4,454,689
Service Users' and Families' Welfare and Charitable Fund	15	1,605,892	1,605,892
Flag Day Fund	16	8,846,212	9,182,442
Dr. Wu Wai Yung Fund	17	3,442,798	3,552,532
Dr. Stella Liu Fund	18	1,907,319	1,960,799
		<b>106,144,250</b>	<b>105,831,744</b>
<b>SUBVENTION ACCOUNT</b>			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	19	145,818,242	152,546,865
Provident Fund Reserve			
-Snapshot staff	19	1,352,262	1,515,173
-Non-snapshot staff	19	37,929,879	35,330,249
Social Welfare Subvention Surpluses			
Rent and Rates	20	(317,382)	(1,344,772)
Central Items Surpluses	20	3,528,545	600,984
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund	21	146,219	34,864
Social Welfare Development Fund	22	883,585	987,797
SWD Allocation-One-Off Subsidy	23	8,397,886	2,383,903
Small Enterprise Fund (SWD)	24	2,561,767	563,056
		<b>200,301,003</b>	<b>192,618,119</b>
		<b>306,445,253</b>	<b>298,449,863</b>
<b>PROPERTY MANAGEMENT RESERVES HELD ON BEHALF OF MINDSET PLACE</b>	25	<b>120,026</b>	<b>148,147</b>
		<b>306,565,279</b>	<b>298,598,010</b>

The financial statements on page 14 to 51 were approved and authorised for issue by the Executive Committee on **12 AUG 2022**



Miss TAM Kam Lan, Annie, GBS, JP  
Chairperson



Dr. CHEUNG Hung Kin  
Honorary Secretary

# **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 31ST MARCH 2022**

	<u>Note</u>	<u>2022</u> <u>HK\$</u>	<u>2021</u> <u>HK\$</u>
<b>INCOME</b>			
Social Welfare Lump Sum Grant	19	386,621,793	386,104,504
Social Welfare Designated Subvention			
Central Items	20	3,120,000	2,255,642
Rent and rates, Government Rent	20	15,381,757	14,910,058
Social Welfare Development Fund	22	599,275	502,778
SWD Allocation One-Off Subsidy	23	11,937,925	3,980,178
Employment Support Service		2,640,230	3,060,604
Furniture and Equipment Replenishment and			
Minor Works Block Grant	21	6,003,000	5,968,000
Hospital Authority		1,794,996	1,514,415
Employees Retraining Fund		41,566	128,022
Community Chest		1,410,730	1,762,709
Other grants		26,809,703	18,483,095
Lotteries Fund		5,896,128	14,290,719
Hong Kong Jockey Club Charities Trust		45,573,994	27,100,051
Donations		1,757,761	1,679,653
Dues and Fees		29,717,291	29,000,246
Members' Subscriptions		3,800	76,945
Rental Income		527,678	221,269
Miscellaneous Receipts		2,448,960	3,527,444
Grants transferred to Deferred Income		1,078,353	(600,696)
<b>OPERATING INCOME</b>		<b>543,364,940</b>	<b>513,965,636</b>
<b>OTHER INCOME</b>			
Production income		65,004,385	60,767,897
Interest income on bank deposits		604,448	2,118,606
Dividend income on marketable investments		226,529	92,919
Additional subvention received for previous year		-	164,167
Property manager remuneration		11,449	9,566
		<b>65,846,811</b>	<b>63,153,155</b>
<b>TOTAL INCOME CARRIED DOWN</b>		<b>609,211,751</b>	<b>577,118,791</b>

# **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2022**

(continued)

	<u>Note</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
<b>INCOME</b>			
TOTAL INCOME BROUGHT DOWN		609,211,751	577,118,791
<b>EXPENDITURE</b>			
Personnel Emoluments		(364,535,297)	(353,232,132)
Cost of Operation		(17,877,684)	(16,996,663)
Administration		(26,100,757)	(24,209,928)
Utilities		(9,259,954)	(7,193,225)
Stores and Equipment		(25,916,748)	(22,480,515)
Programme Expenses		(9,835,374)	(7,494,019)
Transport and Travelling		(1,681,076)	(1,656,682)
Designated Subvention Items			
Central Items	20	(1,930)	(1,986,942)
Rent and rates, Government Rent	20	(14,141,447)	(14,169,396)
Social Welfare Development Fund	22	(704,682)	(498,792)
SWD Allocation One-Off Subsidy	23	(5,353,022)	(2,339,539)
Employment Support Service		(2,640,230)	(3,060,604)
Furniture and Equipment Replenishment and Works Block Grant	21	(5,921,726)	(11,377,465)
Hospital Authority		(1,939,425)	(1,852,991)
Employees Retraining Fund		(41,566)	(128,022)
Community Chest		(1,410,730)	(1,762,709)
Grants Utilized		(9,248,458)	(10,460,513)
Lotteries Fund	26	(5,896,128)	(14,290,719)
Hong Kong Jockey Club Charities Trust		(45,573,994)	(27,100,051)
Mental Health Public Education Program (Public Subscription Permit No. 2017/175/1)		-	(7,652)
Production expenses		(50,737,819)	(51,530,174)
(Loss)/Gain on foreign exchange, net		(3,979)	584,466
Amount refund to Government	19, 20, 23	(1,677,477)	(2,418,271)
		<b>(600,499,503)</b>	<b>(575,662,538)</b>
<b>SURPLUS BEFORE TAXATION</b>		<b>8,712,248</b>	<b>1,456,253</b>
<b>TAXATION</b>	5	-	-
<b>NET SURPLUS FOR THE YEAR</b>		<b>8,712,248</b>	<b>1,456,253</b>

# **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2022**

(continued)

	<u>Note</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
<b>NET SURPLUS FOR THE YEAR</b>		<b>8,712,248</b>	<b>1,456,253</b>
<b>OTHER COMPREHENSIVE EXPENSE</b>			
<i>Items that will not be reclassified to surplus or deficit:</i>			
Change in fair value of equity investments at fair value through other comprehensive income	13	<u>(716,858)</u>	<u>643,471</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>7,995,390</b></u>	<u><b>2,099,724</b></u>

# NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

## CONSOLIDATED STATEMENT OF RESERVE FUND FOR THE YEAR ENDED 31ST MARCH 2022

	<u>Note</u>	<u>2022</u> <u>HK\$</u>	<u>2021</u> <u>HK\$</u>
<b>SURPLUS FOR THE YEAR BEFORE TRANSFER</b>		<b>8,712,248</b>	1,456,253
<b>TRANSFER FROM/(TO):</b>			
Designated funds -			
Investment revaluation reserve	13	(969,209)	(329,357)
Staff Welfare and Development Fund	14	(971,254)	(582,339)
Flag Day Fund	16	336,230	703,956
Dr. Wu Wai Yung Fund	17	109,734	(688,721)
Dr. Stella Liu Fund	18	53,480	(15,370)
Subvention account -			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	19	6,728,623	(6,664,866)
Provident Fund Reserve			
-Snapshot staff	19	162,911	(19,048)
-Non-snapshot staff	19	(2,599,630)	(3,120,682)
Social Welfare Subvention Surpluses			
Rent and Rates	20	(1,027,390)	(727,097)
Central Items	20	(2,927,561)	1,523,144
Furniture & Equipment Replenishment and Minor			
Works Block Grant Reserve Fund	21	(111,355)	5,381,493
Social Welfare Development Fund	22	104,212	(4,312)
SWD Allocation-One-Off Subsidy	23	(6,013,983)	(1,640,639)
Small Enterprise Fund (SWD)	24	(1,998,711)	345,944
Net amount transfer		<u>(9,123,903)</u>	<u>(5,837,894)</u>
<b>DEFICIT FOR THE YEAR AFTER TRANSFER</b>	12	<b>(411,655)</b>	(4,381,641)
<b>RESERVED FUND BROUGHT FORWARD</b>		<u><b>86,522,705</b></u>	<u>90,904,346</u>
<b>RESERVED FUND CARRIED FORWARD</b>		<u><b>86,111,050</b></u>	<u><b>86,522,705</b></u>

# NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

## CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES FOR THE YEAR ENDED 31ST MARCH 2022

	DESIGNATED FUND							DESIGNATED FUND TOTAL HK\$
	Reserved Fund	Investment Revaluation Reserve	Staff Welfare and Development Fund	Service Users' and Families' Welfare and Charitable Fund	Flag Day Fund	Dr. Wu Wai Young Fund	Dr. Stella Lin Fund	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Balance at 31st March 2020</b>	90,904,346	(2,420,143)	3,872,350	1,605,892	9,886,398	2,863,811	1,945,429	108,658,083
Surplus for the year ended 31st March 2021	1,456,253	643,471	-	-	-	-	-	1,456,253
Change in fair value of investments	-	-	-	-	-	-	-	643,471
<b>Total comprehensive income/(expense) for the year ended 31st March 2021</b>	1,456,253	643,471	-	-	-	-	-	2,099,724
Transfer	(5,837,894)	329,357	582,339	-	(703,956)	688,721	15,370	(4,926,063)
<b>Balance as at 31st March 2021</b>	86,522,705	(1,447,315)	4,454,689	1,605,892	9,182,442	3,552,532	1,960,799	105,831,744
Surplus for the year ended 31st March 2022	8,712,248	-	-	-	-	-	-	8,712,248
Grants for Small Enterprise Fund (SWD)	-	(716,858)	-	-	-	-	-	-
Change in fair value of investments	-	-	-	-	-	-	-	(716,858)
<b>Total comprehensive income for the year ended 31st March 2022</b>	8,712,248	(716,858)	-	-	-	-	-	7,995,390
Transfer	(9,123,903)	969,209	971,254	-	(316,220)	(109,734)	(53,480)	(7,682,884)
<b>Balance as at 31st March 2022</b>	86,111,050	(1,194,964)	5,425,943	1,605,892	8,866,212	3,442,798	1,907,319	106,144,250

	SUBVENTION ACCOUNT							DESIGNATED FUND TOTAL HK\$
	Lump Sum Grant Reserve Fund	Provident Fund Reserve (Snapshot staff)	Provident Fund Reserve (Non-snapshot staff)	Social Welfare Subvention Surpluses - Rent & rates	Social Welfare Subvention Surpluses - Central items	Social Welfare Subvention Surpluses - Works Block Grant Reserve Fund	SWD Allocation One-Off Subsidy	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Balance at 31st March 2020</b>	145,881,999	1,496,125	32,209,567	(2,071,869)	2,124,128	5,416,357	743,264	296,350,139
Surplus for the year ended 31st March 2021	-	-	-	-	-	-	-	1,456,253
Change in fair value of investments	-	-	-	-	-	-	-	643,471
<b>Total comprehensive income for the year ended 31st March 2021</b>	-	-	-	-	-	-	-	2,099,724
Transfer	6,664,866	19,048	3,120,682	727,097	(1,523,144)	(5,381,493)	1,640,639	(4,926,063)
<b>Balance as at 31st March 2021</b>	152,546,865	1,515,173	35,330,249	(1,344,772)	600,984	34,864	2,383,903	105,831,744
Surplus for the year ended 31st March 2022	-	-	-	-	-	-	-	8,712,248
Change in fair value of investments	-	-	-	-	-	-	-	(716,858)
<b>Total comprehensive income for the year ended 31st March 2022</b>	-	-	-	-	-	-	-	7,995,390
Transfer	(6,728,623)	(162,911)	2,599,630	1,027,390	2,927,361	111,355	6,013,983	(7,682,884)
<b>Balance as at 31st March 2022</b>	145,818,242	1,352,262	37,929,879	(317,382)	3,528,545	146,219	8,397,886	306,445,253

# NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

	<u>2022</u> <u>HK\$</u>	<u>2021</u> <u>HK\$</u>
<b><i>Cash flows from operating activities</i></b>		
Surplus before taxation	8,712,248	1,456,253
Adjustments for:		
Interest income on bank deposits	(604,448)	(2,118,606)
Dividend income on marketable investments	(226,529)	(92,919)
Depreciation on property, plant and equipment	7,191,310	7,058,766
Loss on disposal of property, plant and equipment	<u>18,788</u>	<u>27,410</u>
Operating surplus before working capital changes	15,091,369	6,330,904
Decrease/(Increase) in:		
Inventories	256,075	279,154
Accounts and other receivables	(3,129,986)	26,623,673
Increase in creditors and accruals	<u>8,805,351</u>	<u>10,439,939</u>
	21,022,809	43,673,670
Net profits tax refunded	<u>-</u>	<u>75,465</u>
<b>Net cash generated from operating activities</b>	<b>21,022,809</b>	<b>43,749,135</b>
<b><i>Cash flows from investing activities</i></b>		
Interest received on bank deposits	<u>659,107</u>	<u>2,747,768</u>
Dividends received	<u>185,886</u>	<u>92,919</u>
Proceeds on disposal of marketable investments	<u>1,115,414</u>	<u>274,748</u>
Purchase of marketable investments	(1,121,399)	(272,756)
Payment on purchase of property, plant and equipment	(7,770,952)	(6,900,568)
Net Increase/(Decrease) in bank deposits of more than 3 months to maturity from date of deposit	<u>8,043,503</u>	<u>(32,303,074)</u>
<b>Net cash generated/(used in) from investing activities</b>	<u><b>1,111,559</b></u>	<u><b>(36,360,963)</b></u>
<b>Net increase in cash and cash equivalents</b>	<u><b>22,134,368</b></u>	<u><b>7,388,172</b></u>

# **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

## **CONSOLIDATED STATEMENT OF CASH FLOWS** **FOR THE YEAR ENDED 31ST MARCH 2022**

(continued)

	<u>2022</u> HK\$	<u>2021</u> HK\$
<b>Net increase in cash and cash equivalents</b>	<b>22,134,368</b>	<b>7,388,172</b>
<b>Cash and cash equivalents at beginning of year</b>	<u><b>75,311,832</b></u>	<u><b>67,923,660</b></u>
<b>Cash and cash equivalents at end of year</b>	<u><u><b>97,446,200</b></u></u>	<u><u><b>75,311,832</b></u></u>
<b>Analysis of balances of cash and cash equivalents</b>		
Time deposits with bank	<b>227,106,981</b>	<b>235,150,484</b>
Bank and cash balances	<u><b>65,446,200</b></u>	<u><b>43,311,832</b></u>
	<b>292,553,181</b>	<b>278,462,316</b>
Time deposits of more than 3 months to maturity from date of deposit	<u><b>(195,106,981)</b></u>	<u><b>(203,150,484)</b></u>
	<u><u><b>97,446,200</b></u></u>	<u><u><b>75,311,832</b></u></u>



# **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31ST MARCH 2022**

#### **1. General**

New Life Psychiatric Rehabilitation Association ["the Association"] is a company limited by guarantee and does not have a share capital. The liability of each of the members is limited to the extent of an amount not exceeding the sum of HK\$20. The Association's principal place of operation is at 332 Nam Cheong Street, Kowloon, Hong Kong.

The Group consists of the Association and its wholly-owned subsidiary company of which the particulars are set out in note 32(b) to the financial statements. The Group's principal activities are to establish and carry on residential, vocational rehabilitation, employment and job training, social enterprises, family support, self-help and mutual help, mental health promotion and prevention, community mental health services or any such projects on a non-profit making basis for people with mental illness, their families and the general public.

#### **2. Basis of preparation and accounting policies**

##### *(a) Statement of compliance*

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standard for Private Entities ["HKFRSPE"] issued by the Hong Kong Institute of Certified Public Accountants ["HKICPA"] and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

##### *(b) Basis of preparation of the financial statements*

The Group financial statements include the financial statements of the Association and its subsidiary company made up to 31st March. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

##### *(c) Revenue recognition*

Revenue is recognised when it is probable that the economic benefits will flow to the Group/Association when the revenue can be measured reliably, on the following bases:

- (i) Government grant or subvention is recognised as income when no specific future performance conditions are imposed; if there are conditions, it is recognised as income when conditions are fulfilled.

**2. Basis of preparation and accounting policies (continued)**

**(c) Revenue recognition (continued)**

- (ii) Grants or donations from non-government parties which are earmarked for specific purposes, are initially recognised as deferred income and then they are recognised in income and expenditure account over the period necessary to match with the related costs which they are intended to compensate. Grants or donations relating to purchase of property, plant and equipment are set off against the acquisition cost of the assets.
- (iii) Fee income is recognised upon delivery of goods and provision of service.
- (iv) Interest income is recognised as it accrues using the effective interest method.
- (v) Dividend and investment income are recognised when the shareholder's right to receive payment is established.

**(d) Foreign currencies**

The Group's functional and presentation currency is Hong Kong dollars.

Transactions arising in foreign currencies during the year are converted at exchange rates approximating to those ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at year end are translated at rates of exchange approximating to those ruling at year end date. All exchange differences are dealt with in the surplus or deficit.

**(e) Impairment losses**

At each reporting date, property, plant and equipment and investment in subsidiary company are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Similarly, at each reporting date, inventories for sale are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

**2. Basis of preparation and accounting policies (continued)**

**(f) *Designated Funds***

Designated funds are funds specified by the donors and/or set aside by the Association for designated purposes. The income and expenditure relating to these funds are dealt with in the statement of income. Any surplus or deficit would be transferred to the respective designated funds.

**(g) *Property, plant and equipment, and depreciation***

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of property, plant and equipment less accumulated impairment losses over their estimated useful lives using a straight line basis at the following rates:-

Construction and fitting out	25 per cent per annum
Furniture and equipment	25 per cent per annum
Motor vehicles	15 per cent per annum
Computer	25 per cent per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

**(h) *Leases***

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Association. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to surplus or deficit on a straight-line basis over the term of the relevant lease.

**(i) *Financial instruments***

To account for financial instruments (financial assets and liabilities), the Group chooses to apply the recognition and measurement provision of Hong Kong Financial Reporting Standard 9 ("HKFRS 9") "Financial Instruments" of Hong Kong Financial Reporting Standards and the disclosure requirements of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of HKFRSPE.

**2. Basis of preparation and accounting policies (continued)**

**(j) *Equity investments at fair value through other comprehensive income***

Equity investments at fair value through other comprehensive income are those equity investments not held for trading. The Group's equity investments are listed securities. Amounts presented in other comprehensive income for such investments are not subsequently transferred to profit or loss. At the time of disposal of an equity investment, the cumulative gain or loss of the investment is transferred from investment revaluation reserve to general fund.

**(k) *Inventories***

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to the present location and condition. Net realizable value represents estimated selling price less all further costs to completion and direct selling costs.

**(l) *Account and other receivables***

Account and other receivables are measured at amortised cost using the effective interest rate method less allowance for credit loss, unless the effect of discounting would be immaterial, in which case the receivables are stated at cost less allowance for credit losses.

**(m) *Cash and cash equivalents***

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with banks within 3 months to maturity from date of deposit.

**(n) *Creditors and accruals***

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

**(o) *Taxation***

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profits for the year.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using financial position liability method. Taxation rates enacted or substantively enacted by the reporting date are used to determine deferred tax.

**2. Basis of preparation and accounting policies (continued)**

(o) *Taxation (continued)*

Generally, deferred tax liabilities are provided for in full on all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

**3. Surplus before taxation**

Surplus before taxation is arrived after crediting/(charging) the following:-

	<u>2022</u> HK\$	<u>2021</u> HK\$
Employment Support Scheme*	1,147,572	2,466,084
Auditors' remuneration	(263,200)	(246,900)
Staff costs	(364,535,297)	(353,232,132)
Depreciation on property, plant and equipment	(7,191,310)	(7,058,766)
Loss on disposal of property, plant and equipment	(18,788)	(27,410)
Rent under operating leases	(15,305,788)	(14,875,134)

\* In 2021/2022, the Association's subsidiary company successfully applied for grant in sum of HK\$1,147,572 (in 2020/2021, several service units of the Association received HK\$2,466,084) which were funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Government of Hong Kong Special Administrative Region. The purpose of the funding is to provide financial support to companies to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Association is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

**4. Executive Committee members' remuneration**

The Executive Committee Members did not receive or have and would not receive or have any remuneration or interests as mentioned in Section 383(1)(a), (b), (c), (d) and (e) of the Companies Ordinance during the year [2021 - Same].

No consideration was provided to or receivable by third parties for services of the Executive Committee Members or their services in other capacity while Executive Committee Members [2021 - Same].

## 5. Taxation

The Association is a charitable institution and is exempted from Hong Kong taxation under Section 88 of the Inland Revenue Ordinance.

No provision for Hong Kong profits tax has been made as the subsidiary company did not have assessable profits for the year [2021 - Same].

The tax for the year of the subsidiary company can be reconciled to the deficit before taxation per the statement of comprehensive income of the subsidiary company as follows:-

	<u>2022</u> HK\$	<u>2021</u> HK\$
Deficit before taxation	<u>(118,554)</u>	<u>(5,085,460)</u>
Applied tax rate	<u>16.50%</u>	<u>16.50%</u>
Tax on deficit before taxation	(19,000)	(839,000)
Tax effect of:		
Expenses that are not deductible for taxation purposes	3,000	-
Income that are not assessable for taxation purposes	(610,000)	3,000
Unrecognised temporary differences	(79,000)	22,000
Unrecognised tax loss	<u>705,000</u>	<u>814,000</u>
	<u>-</u>	<u>-</u>

At the reporting date, the subsidiary company has unused tax losses and deductible temporary differences of HK\$10,625,000 and HK\$6,218,000 [2021 - \$6,355,000 and HK\$6,676,000] respectively available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profits streams.

# NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2022

## 6. Property, plant and equipment

	<u>Land and Buildings</u> HK\$	<u>Construction and fitting out</u> HK\$	<u>Furniture and Equipment</u> HK\$	<u>Motor Vehicle</u> HK\$	<u>Computer</u> HK\$	<u>Total</u> HK\$
<i>At cost</i>						
At 31st March 2021	2	17,014,772	34,794,342	4,389,264	11,599,604	67,797,984
Additions	-	2,761,770	2,885,873	343,182	1,780,127	7,770,952
Disposal	-	-	(52,720)	-	(9,550)	(62,270)
<b>At 31st March 2022</b>	<b>2</b>	<b>19,776,542</b>	<b>37,627,495</b>	<b>4,732,446</b>	<b>13,370,181</b>	<b>75,506,666</b>
<i>Accumulated depreciation</i>						
At 31st March 2021	-	(16,619,111)	(28,333,121)	(2,256,547)	(8,696,048)	(55,904,827)
Charge for the year	-	(898,054)	(3,926,543)	(654,610)	(1,712,103)	(7,191,310)
Written back on disposal	-	-	36,320	-	7,162	43,482
<b>At 31st March 2022</b>	<b>-</b>	<b>(17,517,165)</b>	<b>(32,223,344)</b>	<b>(2,911,157)</b>	<b>(10,400,989)</b>	<b>(63,052,655)</b>
<i>Carrying amount</i>						
At 31st March 2022	<u>2</u>	<u>2,259,377</u>	<u>5,404,151</u>	<u>1,821,289</u>	<u>2,969,192</u>	<u>12,454,011</u>
At 31st March 2021	<u>2</u>	<u>395,661</u>	<u>6,461,221</u>	<u>2,132,717</u>	<u>2,903,556</u>	<u>11,893,157</u>

The leases of land, on which the Association's premises are located, are expired on 30th June 2047.

The Association's premises are located at:

1. A parcel at Lot No. TMTL No. 383
2. A parcel at Lot No. TMTL No. 254
3. A parcel at Lot No. NKIL No. 5938
4. Ching Kung House at Flat A, 3/F, No. 30 Nassau Street, Kowloon

## 7. Equity investments at fair value through other comprehensive income

	<u>2022</u> HK\$	<u>2021</u> HK\$
Hong Kong listed securities	<u>5,439,300</u>	<u>6,279,190</u>

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**8. Account and other receivables**

	<u>2022</u> HK\$	<u>2021</u> HK\$
Contract deposits	1,532,563	7,291,587
Accounts receivable	7,022,879	9,060,478
Rental deposits	2,140,754	1,939,241
Utility deposits	2,213,416	2,213,716
Sundry deposits	149,416	142,466
Prepayments	8,085,548	12,657,213
Dividend receivable	40,643	-
Interest receivable	112,620	167,279
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	7,033,655	4,246,576
On-site Training Programme	151,497	151,497
Queen Elizabeth Foundation for the Mentally Handicapped	-	29,305
Hong Kong Jockey Club Charities Trust	13,320,234	2,240,848
Hong Kong Arts Development Fund	338,965	-
Koo Foundation	922,764	-
Shih Wing Ching Foundation	-	14,917
Fu Tak Iam Foundation	1,458,276	78,548
Community Chest	-	335,116
SWD- Innovation and Technology Fund	371,947	4,741,102
Community Investment and Inclusion Fund	500,979	-
Education Bureau	2,868,631	-
Environment and Conservation Fund	290,089	-
	<u>48,555,876</u>	<u>45,310,889</u>

**9. Time deposits with banks**

	<u>2022</u> HK\$	<u>2021</u> HK\$
Funds from :		
Social Welfare Subvention Reserve Funds	156,879,746	156,473,928
Other Funds	70,227,235	78,676,556
Total time deposits with banks	<u>227,106,981</u>	<u>235,150,484</u>
<i>Analysis:</i>		
Time deposits of less than 3 months to maturity from date of deposit	32,000,000	32,000,000
Time deposits of more than 3 months to maturity from date of deposit	195,106,981	203,150,484
	<u>227,106,981</u>	<u>235,150,484</u>



**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION***Notes to the Financial Statements for the year ended 31st March 2022***10. Creditors and accruals**

	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b>HK\$</b>	<b>HK\$</b>
Accounts payable	1,188,548	2,322,564
Accruals	6,161,847	9,102,857
Other payables	21,674,903	3,089,973
Receipt in advance (included temporary credit)	1,060,774	1,669,974
Deferred income	6,174,876	7,253,229
Deposits of clients (for keys and lockers)	130,344	109,128
Rental deposits	38,000	38,000
Other deposits received	1,653,965	1,652,620
Accounts with:		
Lotteries Fund (WI-FI Project) [Note 31]	2,487,709	2,089,469
SWD-Employment Support Service	506,665	351,896
Integrated Employment Assistance Programme for Self-reliance	134,850	247,500
Chow Tai Fook Charity Foundation	1,275,130	5,793,873
Janssen HK	69,481	89,352
Koo Foundation	-	744,000
Public Education Fund	-	22,949
Shih Wing Ching Foundation	644,537	-
Enhancing Employment of People with Disabilities through Small Enterprises Project	7,130	7,130
Employees Retraining Board Fund	289,687	275,159
UPS Foundation	-	75,089
Food Sharing Project	117,776	188,415
Community Chest	460,212	-
Contribution	3,992,032	3,944,687
Hong Kong Arts Development Fund	-	56,283
Community Investment and Inclusion Fund	-	410,669
Environment and Conservation Fund	-	659,016
Community Green Station	4,919,421	2,863,290
Education Bureau	-	683,321
Mindset project	438,910	881,003
	<b><u>53,426,797</u></b>	<b><u>44,621,446</u></b>

**11. Net assets held on behalf of MINDSET Place - property management account**

The Group acts as property manager of MINDSET Place, and holds the assets and liabilities of the property management account of MINDSET Place on behalf of the owner.

	<u>2022</u> HK\$	<u>2021</u> HK\$
<i>Assets</i>		
Furniture and equipment <sup>(Remark)</sup>	-	-
Other receivables	1,234	-
Utility and other deposits	17,800	17,800
Cash balances	169,570	220,055
<i>Liabilities</i>		
Other payables and accrued charges	-	(21,130)
Tenants' deposits	<u>(68,578)</u>	<u>(68,578)</u>
<i>Net assets</i>	<u><u>120,026</u></u>	<u><u>148,147</u></u>

**Remark:**

<u>Movements in furniture and equipment</u>	<u>HK\$</u>
<i>Cost</i>	
At 31st March 2021 and 2022	5,270
<i>Accumulated depreciation</i>	
At 31st March 2021 and 2022	<u>(5,270)</u>
<i>Carrying amount</i>	
At 31st March 2021 and 2022	<u><u>-</u></u>

**12. Reserved Fund**

	<u>2022</u> HK\$	<u>2021</u> HK\$
Balance at beginning of year	86,522,705	90,904,346
Movements during the year		
Surplus for the year	<u>8,712,248</u>	<u>1,456,253</u>
Transfer to various funds and reserves	<u>(9,123,903)</u>	<u>(5,837,894)</u>
Deficit for the year after transfer <sup>Remark</sup>	<u>(411,655)</u>	<u>(4,381,641)</u>
Balance at end of year	<u><u>86,111,050</u></u>	<u><u>86,522,705</u></u>

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**12. Reserved Fund (continued)**

<b>Remark :</b>	<b><u>2022</u></b> <b>HK\$</b>	<b><u>2021</u></b> <b>HK\$</b>
Deficit for the year after transfer represents:		
Surplus from subvented service units [Note 27]	1,278,988	555,719
(Deficit)/Surplus from Community Chest allocation	(181,807)	11,595
Deficit from self financed units/projects	(1,839,410)	(1,169,762)
Deficit from subsidiary company	(118,554)	(5,085,460)
Surplus from production of shelter workshops and supported employment service	2,804,625	898,926
Surplus/(Deficit) from Ching Kung House	216,164	(247,613)
Transfer to Small Enterprise Fund (SWD) [Note 24]	(1,998,711)	345,944
Interest income on time deposits	169,730	545,448
Dividend income	226,529	92,919
Loss on disposal of investment	(969,209)	(329,357)
	<b><u>(411,655)</u></b>	<b><u>(4,381,641)</u></b>

**13. Investment Revaluation Reserve**

	<b><u>2022</u></b> <b>HK\$</b>	<b><u>2021</u></b> <b>HK\$</b>
Balance at beginning of year	(1,447,315)	(2,420,143)
Change in fair value of investments at fair value through other other comprehensive income	(716,858)	643,471
Amount released on disposal of investments at fair value through other comprehensive income	<u>969,209</u>	<u>329,357</u>
Balance at end of year	<b><u>(1,194,964)</u></b>	<b><u>(1,447,315)</u></b>

The reserve comprises the cumulated net change in the fair value of equity investments at fair value through other comprehensive income. Upon disposal of an equity investment, the cumulative gain or loss of the investment is transferred from the reserve to the Reserve Fund.

**14. Staff Welfare and Development Fund**

	<b><u>2022</u></b> <b>HK\$</b>	<b><u>2021</u></b> <b>HK\$</b>
Balance at beginning of year	4,454,689	3,872,350
Movements during the year - Operating income	<u>971,254</u>	<u>582,339</u>
Amount transferred from Reserved Fund	<u>971,254</u>	<u>582,339</u>
Balance at end of year	<b><u>5,425,943</u></b>	<b><u>4,454,689</u></b>

The fund is established as a supportive fund for financing the staff development and training projects

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**15. Service Users' and Families' Welfare and Charitable Fund**

	<u>2022</u> HK\$	<u>2021</u> HK\$
Balance at beginning and at end of year	<u>1,605,892</u>	<u>1,605,892</u>

The fund is established as a supportive fund for financing the service users' and their families' welfare and special needs.

**16. Flag Day Fund**

	<u>2022</u> HK\$	<u>2021</u> HK\$
Balance at beginning of year	9,182,442	9,886,398
Movements during the year		
(Deficit)/Surplus from Jockey Club New Life Institute <sup>Remark 1</sup>	(303,859)	253,904
Happy ageing 330-Older Adult Project <sup>Remark 2</sup>	(31,950)	(983,003)
New Life 330 - second phase of audio track, mobile applications & webpage works <sup>Remark 3</sup>	(177,900)	(143,400)
Sustainable Development of Integrated Community Centre for Mental Wellness on Physical Wellness	-	(85,680)
New Life 330 project	231,435	309,724
330 members' actives	(53,956)	(55,501)
Amount transferred to Reserved Fund	<u>(336,230)</u>	<u>(703,956)</u>
Balance at end of year	<u>8,846,212</u>	<u>9,182,442</u>

**Remark :**

	<u>2022</u> HK\$	<u>2021</u> HK\$
<b>(1) (Deficit)/Surplus from Jockey Club New Life Institute :</b>		
Operating income from Jockey Club New Life Institute (dues and fees, rental income and miscellaneous receipts)	1,871,320	2,190,517
Direct expenses		
Personnel emoluments	(290,189)	(362,598)
Administration and programme expenses	(962,674)	(1,108,681)
Rent and rates	(114,839)	(130,048)
Other expenses (utilities, stores and equipment, transportation and miscellaneous expenses)	<u>(807,477)</u>	<u>(335,286)</u>
	<u>(303,859)</u>	<u>253,904</u>

**16. Flag Day Fund (continued)**

<b>Remark :</b>	<b><u>2022</u></b> <b>HK\$</b>	<b><u>2021</u></b> <b>HK\$</b>
(2) Happy ageing 330-Older Adult Project :		
Usage of Net Proceeds of 2016/17 Flag Day :		
Balance at beginning of year	32,075	1,015,078
Utilization	<u>(31,950)</u>	<u>(983,003)</u>
Balance at end of year	<u>125</u>	<u>32,075</u>
(3) New Life 330 - second phase of audio track, mobile applications & webpage works :		
Usage of Net Proceeds of 2017/18 Flag Day		
Balance at beginning of year	993,930	1,137,330
Utilization	<u>(177,900)</u>	<u>(143,400)</u>
Balance at end of year	<u>816,030</u>	<u>993,930</u>
(4) Usage of Net Proceeds of 2018/19 Flag Day		
Balance at beginning of year and end of year	<u>1,473,629</u>	<u>1,473,629</u>

**17. Dr. Wu Wai Yung Fund**

	<b><u>2022</u></b> <b>HK\$</b>	<b><u>2021</u></b> <b>HK\$</b>
Balance at beginning of year	3,552,532	2,863,811
Movements during the year		
Operating income	6,481	115,115
Direct expenses	(113,087)	(13,687)
Interest income on time deposits	851	2,827
(Loss)/Gain on foreign exchange	(3,979)	584,466
Amount transferred (to)/from Reserved Fund	<u>(109,734)</u>	<u>688,721</u>
Balance at end of year	<u>3,442,798</u>	<u>3,552,532</u>

The fund is established as a supportive fund for financing "China Exchange Programme".

**18. Dr. Stella Liu Fund**

	<b><u>2022</u></b> <b>HK\$</b>	<b><u>2021</u></b> <b>HK\$</b>
Balance at beginning of year	1,960,799	1,945,429
Movements during the year		
Interest income on time deposits	3,949	15,370
Direct expenses	<u>(57,429)</u>	<u>-</u>
Amount transferred (to)/from Reserved Fund	<u>(53,480)</u>	<u>15,370</u>
Balance at end of year	<u>1,907,319</u>	<u>1,960,799</u>

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**18. Dr. Stella Liu Fund (continued)**

The fund is established as a supportive fund for financing "Farm Development Programme".

**19. Lump Sum Grant Reserve and Provident Fund Reserve**

	Lump Sum Grant Reserve	Provident Fund Reserve		
	HK\$	Snapshot staff HK\$	Non-snapshot staff HK\$	Total HK\$
Balance at 31st March 2020	145,881,999	1,496,125	32,209,567	33,705,692
Movements during the year				
Grant received	359,255,440	7,393,797	19,455,267	26,849,064
Personnel emolument/OC/PF net fee/other income	(354,117,234)	(6,761,887)	(16,498,752)	(23,260,639)
Interest income on time deposits	1,526,660	-	-	-
	6,664,866	631,910	2,956,515	3,588,425
Amount refunded to Government	-	(612,862)	-	(612,862)
Additional subvention received for previous year	-	-	164,167	164,167
Amount transferred from Reserved Fund	6,664,866	19,048	3,120,682	3,139,730
Balance at 31st March 2021	152,546,865	1,515,173	35,330,249	36,845,422
Movements during the year				
Grant received	360,260,897	6,608,968	19,751,928	26,360,896
Personnel emolument/OC/PF net fee/other income	(367,388,109)	(6,068,751)	(17,152,298)	(23,221,049)
Interest income on time deposits	398,589	-	-	-
	(6,728,623)	540,217	2,599,630	3,139,847
Amount refunded to Government	-	(703,128)	-	(703,128)
Amount transferred (to)/from Reserved Fund	(6,728,623)	(162,911)	2,599,630	2,436,719
<b>Balance at 31st March 2022</b>	<b>145,818,242</b>	<b>1,352,262</b>	<b>37,929,879</b>	<b>39,282,141</b>

**A) Utilisation of the LSG reserve in the last year and Plan on use**

1. absorbing deficits of services and activities of subvented units under Social Welfare Department;
2. subsidizing renovation costs of subvented units not covered by other funds;
3. fulfilling the contractual commitment to staff, maintaining and strengthening service delivery and implement strategic development plans.

**B) Utilisation of the Non-Snapshot Staff PF Reserve in the last year and Plan on use**

- Adjusting the PF contribution rates or giving a one-off additional contribution to staff so as to enhance staff retention.

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**20. Social Welfare Subvention Surpluses**

	<u>Rent and Rates</u> HK\$	<u>Central Items</u> HK\$	<u>Total</u> HK\$
Balance at 31st March 2020	(2,071,869)	2,124,128	52,259
Movements during the year			
Grant received	14,910,058	2,255,642	17,165,700
Amount repaid to Government	(13,565)	(1,791,844)	(1,805,409)
Rent and rates paid	(14,169,396)	-	(14,169,396)
Central items paid	-	(1,986,942)	(1,986,942)
Amount transferred from/(to) Reserved Fund	727,097	(1,523,144)	(796,047)
Balance at 31st March 2021	(1,344,772)	600,984	(743,788)
Movements during the year			
Grant received	15,381,757	3,120,000	18,501,757
Amount repaid to Government	(212,920)	(190,509)	(403,429)
Rent and rates paid	(14,141,447)	-	(14,141,447)
Central items paid	-	(1,930)	(1,930)
Amount transferred from Reserved Fund	1,027,390	2,927,561	3,954,951
<b>Balance at 31st March 2022</b>	<b>(317,382)</b>	<b>3,528,545</b>	<b>3,211,163</b>

**21. Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund**

	<u>2022</u> HK\$	<u>2021</u> HK\$
Balance at beginning of year	34,864	5,416,357
Movements during the year		
Grant received	6,003,000	5,968,000
Interest income on time deposits	30,081	27,972
Payment for:		
Minor works projects	(3,952,630)	(7,336,561)
Furniture and equipment	(1,931,581)	(4,002,082)
Vehicle Overhauling	(37,515)	(38,822)
Amount transferred from/(to) Reserved Fund	111,355	(5,381,493)
Balance at end of year	146,219	34,864

***Capital Commitments in respect of the Furniture and Equipment Replenishment and Minor Works Block Grant Reserve***

At reporting date, there were no outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works Block Grant.

**22. Social Welfare Development Fund**

The Social Welfare Development Fund (SWDF) is funded by Lotteries Fund.

	<u>2022</u> HK\$	<u>2021</u> HK\$
<b><i>SWDF Phase 3</i></b>		
Balance at beginning of year	987,797	983,485
Movements during the year		
Grant received	599,275	502,778
Interest on time deposits	1,195	326
Payment for		
1) Expenditure for projects under scope A	(646,682)	(29,372)
2) Expenditure for projects under scope B	-	(425,920)
3) Expenditure for projects under scope C	(58,000)	(43,500)
4) Expenditure for projects under administrative support	-	-
Amount transferred (to)/from Reserved Fund	<u>(104,212)</u>	<u>4,312</u>
Balance at end of year	<u><u>883,585</u></u>	<u><u>987,797</u></u>

**23. SWD Allocation-One-Off Subsidy**

	<u>2022</u> HK\$	<u>2021</u> HK\$
Balance at beginning of year	2,383,903	743,264
Movements during the year		
Grant income	31,575,825	3,980,178
Amount repayable to Government	(19,637,900)	-
	11,937,925	3,980,178
Amount repaid to Government	(570,920)	-
Direct expenses	(5,353,022)	(2,339,539)
Amount transferred from Reserved Fund	<u>6,013,983</u>	<u>1,640,639</u>
Balance at end of year	<u><u>8,397,886</u></u>	<u><u>2,383,903</u></u>

The Allocation is provided by SWD on an one-off basis for supporting the Association's activities and operation.



**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**24. Small Enterprise Fund (SWD)**

Accumulated surplus/(deficit) of each of the projects under Small Enterprise Fund (SWD) are as follows:

<u>Projects</u>	<u>Balance brought forward HK\$</u>	<u>Transferred among Projects HK\$</u>	<u>Transferred from/(to) Accumulated Funds HK\$</u>	<u>Balance carried forward HK\$</u>
<b>2022</b>				
Café 330 - CMC	57,315	-	(14,450)	<b>42,865</b>
Café 330 - CU	68,150	-	(22,050)	<b>46,100</b>
Café 330 - HKU	68,150	-	(22,050)	<b>46,100</b>
Café 330 - PWH	72,560	-	(23,520)	<b>49,040</b>
Delight Kitchen	92,677	-	(63,877)	<b>28,800</b>
Drinks 330	264,337	-	(58,501)	<b>205,836</b>
INNO 330	(60,133)	-	343,616	<b>283,483</b>
SO 330	-	-	1,859,543	<b>1,859,543</b>
	<u>563,056</u>	<u>-</u>	<u>1,998,711</u>	<u><b>2,561,767</b></u>
<b>2021</b>				
Café 330 - CMC	407,599	(332,330)	(17,954)	57,315
Café 330 - CU	89,791	90,200	(111,841)	68,150
Café 330 - HKU	6,809	90,200	(28,859)	68,150
Café 330 - PWH	-	96,080	(23,520)	72,560
Delight Kitchen	125,941	55,850	(89,114)	92,677
Drinks 330	278,860	-	(14,523)	264,337
INNO 330	-	-	(60,133)	(60,133)
	<u>909,000</u>	<u>-</u>	<u>(345,944)</u>	<u>563,056</u>

The fund is granted by Social Welfare Department as seed money mainly for financing capital expenditure of service units.

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**25. Property management reserve held on behalf of MINDSET Place**

	<u>2022</u> HK\$	<u>2021</u> HK\$
<i>Income for the year ended 31st March</i>		
Building management fees	200,568	202,956
Interest income	<u>1</u>	<u>2</u>
	<b>200,569</b>	<b>202,958</b>
<i>Expenditure for the year ended 31st March</i>		
Administration expenses		
Insurance	(17,604)	(16,141)
Personnel emolument	(62,391)	(50,964)
Staff wellness expenses	(382)	(360)
Printing and stationery	-	(138)
Administration expenses	(15,567)	(11,294)
Miscellaneous expenses	(700)	(64)
Utilities	(24,679)	(15,110)
Repairs and maintenance	(107,367)	(106,824)
	<u>(228,690)</u>	<u>(200,895)</u>
<i>(Deficit)/Surplus for the year ended 31st March</i>	<b>(28,121)</b>	<b>2,063</b>
<i>Accumulated surplus brought forward</i>	<u>148,147</u>	<u>146,084</u>
<i>Accumulated surplus carried forward</i>	<u><b>120,026</b></u>	<u><b>148,147</b></u>

**26. Lotteries Fund**

	<u>2022</u> HK\$	<u>2021</u> HK\$
a) <i>Procurement of Household / Furniture and Equipment:</i>		
Mobile Van for Publicity Service on Mental Wellness	1,239,559	162,556
Chuk Yuen Integrated Work Centre	-	(1,598)
New Life Building Sheltered Workshop	-	(1,598)
Supported Centre for Persons with Autism	-	261,423
Kwai Shing Sheltered Workshop	-	(799)
Tin King Sheltered Workshop	-	(1,598)
	<u>1,239,559</u>	<u>418,386</u>

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**26. Lotteries Fund (continued)**

	<b><u>2022</u></b> <b>HK\$</b>	<b><u>2021</u></b> <b>HK\$</b>
<b>b) <i>Fitting-out Works:</i></b>		
Pok Hong Halfway House	43,973	-
Jockey Club Farm House	38,139	-
Tuen Mun Long Stay Care Home	29,306	28,209
Supported Centre for Persons with Autism	173,874	1,086,568
Mindset Place	13,450	-
Yi Yuet Hin	-	329,490
The Wellness Centre - Shatin	-	446,104
The Wellness Centre - Islands	249,120	35,000
The Wellness Centre - Kwai Chung	301,625	-
	<b>849,487</b>	<b>1,925,371</b>
<b>c) <i>Undertake Fire Safety/Building Safety Rectification Measures:</i></b>		
Sun Chui Halfway House	-	22,400
Pok Hong Halfway House	2,948	2,948
Shan King Halfway House	102,466	31,600
Shek Lei Halfway House	154,590	726,620
Lei Tung Halfway House	-	215,511
Jockey Club Farm House	4,940	4,940
New Life Jubilee House	7,147	225,540
Tin King Hostel	4,900	-
Tuen Mun Long Stay Care Home	-	1,841,081
Yuet Wo House	1,046,474	2,207,858
Yi Yuet Hin	13,950	3,911,354
Mindset Place	-	1,933,896
New Life Building Long Stay Care Home	451,019	823,214
	<b>1,788,434</b>	<b>11,946,962</b>
<b>d) <i>Procurement of Vehicle:</i></b>		
Mobile Van for Publicity Service on Mental Wellness	<b>2,018,648</b>	-
	<b><u>5,896,128</u></b>	<b><u>14,290,719</u></b>

**26. Lotteries Fund (continued)**

***Capital Commitments in respect of the Lotteries Fund Block Grant and the Lotteries Fund Project Grant***

At 31st March 2022, the outstanding commitments in respect of the Lotteries Fund Block Grant and the Lotteries Fund Project Grant are as follows:

	<u>2022</u> HK\$	<u>2021</u> HK\$
Contracted for but not provided in the financial statement in respect of:		
Lotteries Fund Block Grant		
Lotteries Fund Project Grant	<u>929,473</u>	<u>256,994</u>
	<u><u>929,473</u></u>	<u><u>256,994</u></u>

**27. Transfer of surpluses social welfare subvention**

The Association operated service units which are managed by professional personnel. The surplus and deficit for the year are brought forward to the Income and Expenditure Account as follows:

**SURPLUS / (DEFICIT) FROM SUBVENTED SERVICE UNITS**

	<u>2022</u> HK\$	<u>2021</u> HK\$
<b>Central Administration</b>		
Central Administration Expenses	<u>911,849</u>	<u>251,286</u>
Management Office at New Life Building	<u>151,792</u>	<u>8,459</u>
Total	<u><u>1,063,641</u></u>	<u><u>259,745</u></u>
<b>Workshops and Hostels</b>		
Sun Chui Halfway House	<u>388</u>	<u>721</u>
Pok Hong Halfway House	<u>213</u>	<u>1,734</u>
Tin Yuet Halfway House	<u>322</u>	<u>2,153</u>
Shan King Halfway House	<u>3</u>	<u>1,054</u>
Shek Lei Halfway House	<u>(8)</u>	<u>1,413</u>
Chuk Yuen Halfway House	<u>344</u>	<u>1,958</u>
Balance of Workshops and Hostels carried down	<u><u>1,262</u></u>	<u><u>9,033</u></u>

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**27. Transfer of surpluses social welfare subvention (continued)**

**SURPLUS / (DEFICIT) FROM SUBVENTED SERVICE UNITS (continued)**

	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Workshops and Hostels</b>		
Balance of Workshops and Hostels brought down	<b>1,262</b>	9,033
Lei Tung Halfway House	<b>541</b>	839
New Life Building Halfway House (I)	<b>385</b>	1,968
New Life Building Halfway House (II)	<b>(2,296)</b>	763
New Life Building Halfway House (III)	<b>2,669</b>	2,063
Jockey Club Farm House	<b>(5)</b>	838
Agency-based Peer Support Service in Community Psychiatric Service Units	<b>(1)</b>	82
New Life Jubilee Hostel	<b>(15)</b>	1,115
Tin King Hostel	<b>(12)</b>	914
Joyous Place	<b>(11)</b>	2,261
Tuen Mun Long Stay Care Home	<b>(70)</b>	4,495
New Life Building Long Stay Care Home	<b>(66)</b>	3,697
Mobile Van for Publicity Service on Mental Wellness	<b>(4)</b>	550
The Wellness Centre - Sham Shui Po	<b>(11,239)</b>	93,992
The Wellness Centre - Tuen Mun	<b>24,336</b>	8,310
The Wellness Centre - Shatin	<b>14,746</b>	4,177
The Wellness Centre - Tin Shui Wai	<b>1,743</b>	4,200
The Wellness Centre - Kwai Chung	<b>12,243</b>	1,020
The Wellness Centre - Yau Tsim Mong	<b>13,780</b>	7,881
The Wellness Centre - Islands	<b>9,109</b>	4,072
Kwai Shing Sheltered Workshop	<b>10,184</b>	3,606
Shek Pai Wan Integrated Work Centre	<b>3,910</b>	13,206
Tin King Sheltered Workshop	<b>28,966</b>	35,878
Chuk Yuen Integrated Work Centre	<b>66,433</b>	5,808
New Life Building Sheltered Workshop	<b>2,439</b>	4,520
New Life Farm Sheltered Workshop	<b>52,569</b>	(43,402)
Agency-Based Vocational Support	<b>(2)</b>	85
Work Extension Programme	<b>(4)</b>	203
Supported Centre for Persons with Autism	<b>(11)</b>	517
Supported Employment Service	<b>(16,230)</b>	123,149
On the Job Training Programme	<b>(2)</b>	134
<b>Total</b>	<b><u>215,347</u></b>	<b><u>295,974</u></b>
<b>Grand total</b>	<b><u><u>1,278,988</u></u></b>	<b><u><u>555,719</u></u></b>

**28. Categories of financial assets and financial liabilities**

	<u>2022</u> HK\$	<u>2021</u> HK\$
<i>Financial assets:</i>		
Non-current assets -		
Equity investments at fair value through other comprehensive income	5,439,300	6,279,190
Current assets - at amortized cost:		
Receivables [excluding prepayments]	40,470,328	32,653,676
Bank deposits and cash	<u>292,553,181</u>	<u>278,462,316</u>
	<u>338,462,809</u>	<u>317,395,182</u>
<i>Financial liabilities:</i>		
Current liabilities - at amortized cost:		
Payables [excluding receipt in advance]	<u>52,366,023</u>	<u>42,951,472</u>

**29. Commitments under operating leases**

At the reporting date, the Group had the following future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings:

	<u>2022</u> HK\$	<u>2021</u> HK\$
Not later than one year	7,121,568	10,138,743
Later than one year but not later than five years	<u>8,367,024</u>	<u>6,855,984</u>
	<u>15,488,592</u>	<u>16,994,727</u>

**30. Related party transactions**

Except for the transactions and balances disclosed elsewhere in these financial statements, the Group did not undertake any transactions with related parties during the year [2021 - Same].

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION***Notes to the Financial Statements for the year ended 31st March 2022***31. Lotteries Fund (Wi-Fi Project)**

Income and Expenditure Statement for  
 Lotteries Fund Experimental project of Limited duration  
 For the year ended 31st March 2022

Organisation Name : New Life Psychiatric Rehabilitation Association

	<u>Wi-Fi Project</u>	
	<u>35141-837-4510-0000</u>	
	<u>2022</u>	<u>2021</u>
	<u>HK\$</u>	<u>HK\$</u>
<b>Income</b>		
Lotteries Fund Grant	699,600	699,600
Interest Income	5,797	3,456
<b>Total Income (A)</b>	<u>705,397</u>	<u>703,056</u>
<b>Expenditure</b>		
Other Expenditure:		
(i) Technical set-up and installation cost	118,856	-
(ii) Operating expenses	188,301	18,950
<b>Total Expenditure (B)</b>	<u>307,157</u>	<u>18,950</u>
<b>Surplus for the year (C) = (A) - (B)</b>	<u>398,240</u>	<u>684,106</u>
<b>Add : Cumulated income b/f (D)</b>	<b>2,108,419</b>	<b>1,405,363</b>
<b>Cumulated expenditure b/f (E)</b>	<b>18,950</b>	<b>-</b>
<b>Cumulated surplus / (deficit) b/f (F) = (D) - (E)</b>	<u>2,089,469</u>	<u>1,405,363</u>
<b>Cumulated surplus c/f (G) = (C) + (F)</b>	<u>2,487,709</u>	<u>2,089,469</u>

We certify that all income and expenditure were received and incurred for the Lotteries Fund projects and in accordance with the Lotteries Fund Manual and the instructions issued by Social Welfare Department on **12 AUG 2022**



Miss TAM Kam Lan, Annie, GBS, JP  
 Chairperson



Dr. CHEUNG Hung Kin  
 Honorary Secretary

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION***Notes to the Financial Statements for the year ended 31st March 2022***32. Statement of Financial Position of the Association at 31st March 2022**

	<u>Note</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	32 (a)	<b>9,149,891</b>	10,690,191
Investment in subsidiary company	32 (b)	<b>15,981,863</b>	22,176,672
Equity investments at fair value through other comprehensive income	7	<b>5,439,300</b>	6,279,190
		<b>30,571,054</b>	39,146,053
<b>CURRENT ASSETS</b>			
Inventories - goods for sale		<b>643,098</b>	630,285
Accounts and other receivables	32 (c)	<b>46,424,613</b>	43,008,483
Time deposits with banks	9	<b>227,106,981</b>	235,150,484
Bank and cash balances		<b>63,813,972</b>	30,090,798
		<b>337,988,664</b>	308,880,050
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	32 (d)	<b>(51,569,010)</b>	(39,149,339)
<b>NET CURRENT ASSETS</b>		<b>286,419,654</b>	269,730,711
<b>NET ASSETS</b>		<b>316,990,708</b>	308,876,764



**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**32. Statement of Financial Position of the Association at 31st March 2022 (continued)**

	<u>Note</u>	<u>2022</u> <b>HK\$</b>	<u>2021</u> <b>HK\$</b>
<i>representing:</i>			
<b>DESIGNATED FUNDS</b>			
Reserved Fund	32 (e)	<b>99,218,272</b>	97,512,662
Investment Revaluation Reserve	13	<b>(1,194,964)</b>	(1,447,315)
Staff Welfare and Development Fund	14	<b>5,425,943</b>	4,454,689
Service Users' and Families' Welfare and Charitable Fund	15	<b>1,605,892</b>	1,605,892
Flag Day Fund	16	<b>8,846,212</b>	9,182,442
Dr. Wu Wai Yung Fund	17	<b>3,442,798</b>	3,552,532
Dr. Stella Liu Fund	18	<b>1,907,319</b>	1,960,799
		<b>119,251,472</b>	116,821,701
<b>SUBVENTION ACCOUNT</b>			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	19	<b>145,818,242</b>	152,546,865
Provident Fund Reserve			
- Snapshot staff	19	<b>1,352,262</b>	1,515,173
- Non-snapshot staff	19	<b>37,929,879</b>	35,330,249
Social Welfare Subvention Surpluses			
Rent and Rates	20	<b>(317,382)</b>	(1,344,772)
Central Items Surpluses	20	<b>3,528,545</b>	600,984
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund	21	<b>146,219</b>	34,864
Social Welfare Development Fund	22	<b>883,585</b>	987,797
SWD Allocation-One-Off Subsidy	23	<b>8,397,886</b>	2,383,903
		<b>197,739,236</b>	192,055,063
		<b>316,990,708</b>	308,876,764

Approved and authorised for issue by the Executive Committee on **1-2 AUG 2022**



Miss TAM Kam Lan, GBS, JP  
Chairperson



Dr. CHEUNG Hung Kin  
Honorary Secretary

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**32. Statement of Financial Position of the Association at 31st March 2022 (continued)**

*(a) Property, plant and equipment*

	<u>Land and Buildings</u> HK\$	<u>Furniture and Equipment</u> HK\$	<u>Motor vehicles</u> HK\$	<u>Computer</u> HK\$	<u>Total</u> HK\$
<i>At cost</i>					
At 31st March 2021	2	27,769,665	4,133,855	11,599,604	43,503,126
Additions	-	2,095,831	343,182	1,780,127	4,219,140
Disposal	-	(46,482)	-	(9,550)	(56,032)
<b>At 31st March 2022</b>	<b>2</b>	<b>29,819,014</b>	<b>4,477,037</b>	<b>13,370,181</b>	<b>47,666,234</b>
<i>Accumulated depreciation</i>					
At 31st March 2021	-	(22,115,749)	(2,001,138)	(8,696,048)	(32,812,935)
Charge for the year	-	(3,375,749)	(654,610)	(1,712,103)	(5,742,462)
Written back on disposal	-	31,892	-	7,162	39,054
<b>At 31st March 2022</b>	<b>-</b>	<b>(25,459,606)</b>	<b>(2,655,748)</b>	<b>(10,400,989)</b>	<b>(38,516,343)</b>
<i>Carrying amount</i>					
<b>At 31st March 2022</b>	<b>2</b>	<b>4,359,408</b>	<b>1,821,289</b>	<b>2,969,192</b>	<b>9,149,891</b>
At 31st March 2021	2	5,653,916	2,132,717	2,903,556	10,690,191

The leases of land, on which the Association's premises are located, are expired on 30th June 2047.

The Association's premises are located at:

1. A parcel at Lot No. TMTL No. 383
2. A parcel at Lot No. TMTL No. 254
3. A parcel at Lot No. NKIL No. 5938
4. Ching Kung House at Flat A, 3/F, No. 30 Nassau Street, Kowloon

*(b) Investment in subsidiary company*

	<u>2022</u> HK\$	<u>2021</u> HK\$
Unlisted shares, at cost	15,000,020	15,000,020
Amount due from subsidiary company	981,843	7,176,652
	<b>15,981,863</b>	<b>22,176,672</b>

*Particulars of the subsidiary company are as follows:*

Name	: New Life Support Enterprises Limited
Place of incorporation	: Hong Kong
Percentage of equity held	: 100%
Nature of activity	: operating projects for the benefit of people with disabilities through provision of training and employment opportunities

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**32. Statement of Financial Position of the Association at 31st March 2022 (continued)**

*(c) Account and other receivables*

	<u>2022</u>	<u>2021</u>
	HK\$	HK\$
Contract deposits	1,532,563	7,291,587
Accounts receivable	6,375,204	8,374,181
Rental deposits	2,140,754	1,939,241
Utility deposits	1,171,701	1,158,001
Sundry deposits	149,416	142,466
Prepayments	7,643,675	12,096,819
Dividend receivable	40,643	-
Interest receivable	112,620	167,279
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	7,033,655	4,246,576
On-site Training Programme	151,497	151,497
Queen Elizabeth Foundation for the Mentally Handicapped	-	29,305
Hong Kong Jockey Club Charities Trust	13,320,234	2,240,848
HK Arts development fund	338,965	-
Koo Foundation	922,764	-
Shih Wing Ching Foundation	-	14,917
Fu Tak Iam Foundation	1,458,276	78,548
Community Chest	-	335,116
SWD- Innovation and Technology Fund	371,947	4,741,102
Community Investment and Inclusion Fund	500,979	-
Education Bureau	2,868,631	-
Environment and Conservation Fund	290,089	-
	<u>46,424,613</u>	<u>43,008,483</u>

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**32. Statement of Financial Position of the Association at 31st March 2022 (continued)**

**(d) Creditors and accruals**

	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b>HK\$</b>	<b>HK\$</b>
Accounts payable	<b>900,408</b>	1,698,038
Accruals	<b>4,691,791</b>	4,372,149
Other payables	<b>21,674,903</b>	3,089,973
Receipt in advance (included temporary credit)	<b>961,183</b>	1,553,101
Deferred income	<b>6,174,876</b>	7,253,229
Deposits of clients (for keys and lockers)	<b>130,344</b>	109,128
Rental deposits	<b>38,000</b>	38,000
Other deposits received	<b>1,653,965</b>	1,652,620
Accounts with:		
Lotteries Fund (WI-FI Project) [Note 31]	<b>2,487,709</b>	2,089,469
SWD - Employment Support Service	<b>506,665</b>	351,896
Integrated Employment Assistance Programme for Self-reliance	<b>134,850</b>	247,500
Chow Tai Fook Charity Foundation	<b>1,275,130</b>	5,793,873
Janssen HK	<b>69,481</b>	89,352
Koo Foundation	<b>-</b>	744,000
Public Education Fund		22,949
Shih Wing Ching Foundation	<b>644,537</b>	<b>-</b>
Enhancing Employment of People with Disabilities through Small Enterprises Project	<b>7,130</b>	7,130
Employees Retraining Board Fund	<b>289,687</b>	275,159
UPS Foundation	<b>-</b>	75,089
Food Sharing Project	<b>117,776</b>	188,415
Community Chest	<b>460,212</b>	<b>-</b>
Contribution	<b>3,992,032</b>	3,944,687
HK Arts development fund	<b>-</b>	56,283
Community Investment and Inclusion Fund	<b>-</b>	410,669
Environment and Conservation Fund	<b>-</b>	659,016
Community Green Station	<b>4,919,421</b>	2,863,290
Education Bureau	<b>-</b>	683,321
Mindset project	<b>438,910</b>	881,003
	<b><u>51,569,010</u></b>	<b><u>39,149,339</u></b>

**NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION**

*Notes to the Financial Statements for the year ended 31st March 2022*

**32. Statement of Financial Position of the Association at 31st March 2022 (continued)**

**(e) Reserved Fund**

	<u>2022</u> HK\$	<u>2021</u> HK\$
Balance at beginning of year	97,512,662	97,154,787
Movements during the year		
Surplus for the year	<u>8,830,802</u>	<u>6,541,713</u>
Transfer to various funds and reserves*	<u>(7,125,192)</u>	<u>(6,183,838)</u>
Surplus for the year after transfer <sup>Remark</sup>	<u>1,705,610</u>	<u>357,875</u>
Balance at end of year	<u>99,218,272</u>	<u>97,512,662</u>

**Remark:**

Surplus for the year after transfer represents:

Surplus from subvented service units [Note 27]	1,278,988	555,719
(Deficit)/Surplus from Community Chest allocation	(181,807)	11,595
Deficit from self financed units/projects	(1,839,410)	(1,169,762)
Surplus from production of shelter workshops and supported employment service	2,804,625	898,926
Surplus/(Deficit) from Ching Kung House	216,164	(247,613)
Interest income on time deposits		
investments	169,730	545,448
Dividend income	226,529	92,919
Loss on disposal of investment	<u>(969,209)</u>	<u>(329,357)</u>
	<u>1,705,610</u>	<u>357,875</u>

\* Transfer amount per consolidated financial statements

9,123,903	5,837,894
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Exclusion of transfer amount from :

Small Enterprise Fund (SWD) for operation of subsidiary company

<u>(1,998,711)</u>	<u>345,944</u>
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<u>7,125,192</u>	<u>6,183,838</u>
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**33. Comparative figures**

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