

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 2021

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 2021

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NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

EXECUTIVE COMMITTEE MEMBERS

Chairperson

Miss TAM Kam Lan, Annie, GBS, JP

Vice-chairperson

Mr. YOUNG Wai Tsing, Stephen

Honorary Secretary

Dr. CHEUNG Hung Kin

Honorary Treasurer

Mr. KONG Yook Seng

(appointed on 18th September 2020)

Members

Ms. CHUI Mei Lee, Teresa

(resigned on 18th September 2020)

Dr. LEE Chi Chiu

Ms. LO Dak Wai, Alexandra, JP

(resigned on 1st February 2021)

Dr. LO Wai Fan, Alison

(appointed on 18th September 2020)

Mr. TSE Kam Keung

Ms. WOO Yuen Ling

Dr. YEUNG Kwok Wah, Allen

Dr. YU Chi Shing, Edwin, MH

Dr. YU Wai Tak

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 2021.

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 54,222.

(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 2020/21, Internal Audit Department completed the reviews of "Training", "Procurement", "Travelling", "Recruitment" and "Social Media Management". 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 2020/21 was HK\$575 million. The two major sources of income were Lump Sum Grant from the Social Welfare Department for delivering recurrent welfare services (71.09%) and the fee income received for providing welfare services (15.60%). Grants from The Hong Kong Jockey Club Charities Trust, Lotteries Fund and The Community Chest of Hong Kong made up about 4.71%, 3.52% and 0.31% of the total income, respectively. Donation, investment income and other income represented the remaining 4.77% 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 2020/21 was HK\$574 million. Cost of service operation and service support represented 79.80% and 15.52% of the total expenditure respectively. Management and administration cost constituted about 4.68% of the annual expenditure.

In financial year 2020/21, there was an overall surplus of HK\$1.5 million. As of 31 March 2021, 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 2020/21, the Association maintains a membership of 172.

(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 1,200 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) The Association continued its collaboration with the Environmental Protection Department and Environmental Campaign Committee to organize "Green Point of Sales of New Year Flower 2021" at Kwai Chung Sports Ground in order to promote the concept of waste reduction to stall operators, introduce the recycling facilities to the victors and raise public awareness on environmental protection.
- (b) Funded by the Environmental and Conservation Fund, the Association has been running Food Sharing Project in Kwai Tsing and Tsuen Wan Districts since 2015. The Association continued to collect surplus food and donate it to the underprivileged in the community while promoting environmental protection and food conservation. Promotion of eco-friendly lifestyle and food waste education activities were organized. In 2020/21, the Association collected more than 70,000kg surplus food and distributed more than 68,000kg food to 19,237 recipients through the project.
- (c) Funded by the Environmental and Conservation Fund, the Association started the two-year Coffee Parade Project from January 2021, which aims to encourage the general public to utilize food waste and promote upcycling, with focus on coffee grounds. In 2020/21, more than 10,000kg food waste was collected and 4,000kg compost was produced.
- (d) With funding support from the Environmental Protection Department, Kwai Tsing Community Green Station entered its third year of operation. Aiming to promote green living and clean recycling in the district, it provides recyclables collection services for diversified materials and electrical appliances for housing estates, schools and non-profit organizations. It also organized various educational activities to promote upcycling. In 2020/21, the station collected over 471,600kg of recyclables and provided work opportunities for more than 16 PIR.

(VI) Important events for Financial Year 2020/21

- (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 2020/21 (continued)

- (b) The Association was successfully awarded a 3-year service contract to operate a café at InnoPort of the Chinese University of Hong Kong. The new shop, which offering organic and fair trade coffee as well as a series of health food, commenced its business in March 2021.
- (c) The Association was successfully awarded a 3-year project, namely "Structured Small Group Training and Transactional Support Services for Students with Autism Spectrum Disorder in Ordinary Primary and Secondary Schools", by Education Bureau. The project, which aims to enhance psycho-social adaptive skills and cognition of students with Autism Spectrum Disorder, would commence its services in September 2021.

(VII) Future Likely Developments

- (a) E-assessment and care management system was first launched in residential homes in 2019/20, which aims to enhance the efficiency of caring and management workflow, including facilitating staff to record, retrieve and generate users' profile, clinical data, service statistics and reports. The system was fully implemented in all residential units in 2020/21 and would be further enhanced in 2021/22.
- (b) The Association has acquired the accreditation from the Qualifications Framework as qualified programme provider in 2020/21. To strengthen the training framework, the Association will seek Learning Programme Accreditation in 2021/22 and to develop skill based courses according to the services' needs.

(VIII) Results and Reserves

Financial results for the year ended 31st March 2021 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 22.

	2020/21	2019/20
Operating Reserve Ratio (average operating reserve / expenditures):		
- Subvented services	41%	39%
- Non-subvented services	85%	72%
Current Ratio (current assets / current liabilities)	7.6	9.2

BUSINESS REVIEW (continued)

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

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 5 and 10 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

Hong Kong, **20 AUG 2021**

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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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 53, which comprise the consolidated statement of financial position as at 31st March 2021, 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 2021, 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, 20 AUG 2021

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2021

	<u>Note</u>	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	11,893,157	12,078,765
Equity investments at fair value through other comprehensive income	7	<u>6,279,190</u>	<u>5,637,711</u>
		18,172,347	17,716,476
CURRENT ASSETS			
Inventories - goods for sale		1,125,757	1,404,911
Accounts and other receivables	8	45,310,889	72,563,724
Time deposits with banks	9	235,150,484	175,847,410
Bank and cash balances		43,311,832	62,923,660
Tax repayable		-	75,465
		324,898,962	312,815,170
CURRENT LIABILITIES			
Creditors and accruals	10	<u>(44,621,446)</u>	<u>(34,181,507)</u>
NET CURRENT ASSETS		<u>280,277,516</u>	<u>278,633,663</u>
NET ASSETS		298,449,863	296,350,139
NET ASSETS HELD ON BEHALF OF MINDSET PLACE - property management account			
	11	<u>148,147</u>	<u>146,084</u>
		<u>298,598,010</u>	<u>296,496,223</u>


NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2021

(Continued)

<i>representing:</i>	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
DESIGNATED FUNDS			
Reserved Fund	12	86,522,705	90,904,346
Investment Revaluation Reserve	13	(1,447,315)	(2,420,143)
Staff Welfare and Development Fund	15	4,454,689	3,872,350
Service Users' and Families' Welfare and Charitable Fund	16	1,605,892	1,605,892
Flag Day Fund	17	9,182,442	9,886,398
Dr. Wu Wai Yung Fund	20	3,552,532	2,863,811
Dr. Stella Liu Fund	21	1,960,799	1,945,429
		105,831,744	108,658,083
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	23	152,546,865	145,881,999
Provident Fund Reserve			
-Snapshot staff	23	1,515,173	1,496,125
-Non-snapshot staff	23	35,330,249	32,209,567
Social Welfare Subvention Surpluses			
Rent and Rates	24	(1,344,772)	(2,071,869)
Central Items Surpluses	24	600,984	2,124,128
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund	25	34,864	5,416,357
Social Welfare Development Fund	26	987,797	983,485
SWD Allocation-One-Off Subsidy	27	2,383,903	743,264
Small Enterprise Fund (SWD)	28	563,056	909,000
		192,618,119	187,692,056
		298,449,863	296,350,139
PROPERTY MANAGEMENT RESERVES HELD ON BEHALF OF MINDSET PLACE	29	148,147	146,084
		298,598,010	296,496,223

The financial statements on page 14 to 53 were approved and authorised for issue by the Executive Committee on **20 AUG 2021**


Miss TAM Kam Lan, Annie, GBS, JP
Chairperson


Mr. KONG Yook Seng
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31ST MARCH 2021**

	<u>2021</u> <u>HKS</u>	<u>2020</u> <u>HK\$</u>
INCOME		
Social Welfare Lump Sum Grant	386,104,504	371,892,302
Social Welfare Designated Subvention		
Central Items	2,255,642	3,719,676
Central Item - Amount refund to Government	(1,791,844)	-
Rent and rates, Government Rent	14,910,058	14,988,394
Rent and Rates - Amount refunded to Government	(13,565)	(18,417)
Social Welfare Development Fund [Note 26]	502,778	190,000
SWD Allocation One-Off Subsidy [Note 27]	3,980,178	1,505,160
Intensive Employment Assistance Programme for Self-reliance	-	2,462,485
Employment Support Service	3,060,604	-
Furniture and Equipment Replenishment and Minor Works Block Grant [Note 25]	5,968,000	5,185,000
Hospital Authority	1,514,415	1,314,000
Employees Retraining Fund	128,022	111,236
Community Chest	1,762,709	1,483,546
Other grants	18,483,095	13,392,849
Lotteries Fund [Note 30]	14,290,719	28,370,014
Hong Kong Jockey Club Charities Trust	27,100,051	26,488,392
Donations	1,679,653	1,446,514
Dues and Fees	29,000,246	29,995,314
Members' Subscriptions	76,945	2,000
Rental Income	221,269	341,739
Mental health promotion programme	-	-
Miscellaneous Receipts	3,527,444	3,049,467
Grants transferred to Deferred Income	(600,696)	(1,467,284)
OPERATING INCOME	512,160,227	504,452,387
OTHER INCOME		
Production income	60,767,897	97,519,965
Interest income on bank deposits	2,118,606	4,376,355
Dividend income on marketable investments	92,919	251,723
Additional subvention received for previous year	164,167	173,194
Property manager remuneration	9,566	8,500
	63,153,155	102,329,737
TOTAL INCOME CARRIED DOWN	575,313,382	606,782,124

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2021

(continued)

	<u>2021</u> HK\$	<u>2020</u> HK\$
INCOME		
TOTAL INCOME BROUGHT DOWN	575,313,382	606,782,124
EXPENDITURE		
Personnel Emoluments	(353,232,132)	(335,589,437)
Cost of Operation	(16,996,663)	(18,035,907)
Administration	(24,209,928)	(22,217,622)
Utilities	(7,193,225)	(8,552,215)
Stores and Equipment	(22,480,515)	(26,689,718)
Programme Expenses	(7,494,019)	(10,100,269)
Transport and Travelling	(1,656,682)	(1,624,052)
Designated Subvention Items		
Central Items	(1,986,942)	(1,945,673)
Rent and rates, Government Rent	(14,169,396)	(14,432,057)
Social Welfare Development Fund [Note 26]	(498,792)	(941,443)
SWD Allocation One-Off Subsidy [Note 27]	(2,339,539)	(761,896)
Intensive Employment Assistance Programme for Self-reliance	-	(2,462,485)
Employment Support Service	(3,060,604)	-
Furniture and Equipment Replenishment and Minor Works Block Grant [Note 25]	(11,377,465)	(7,086,572)
Hospital Authority	(1,852,991)	(1,747,305)
Employees Retraining Fund	(128,022)	(111,236)
Community Chest	(1,762,709)	(1,483,546)
Grants Utilized	(10,460,513)	(6,442,896)
Lotteries Fund [Note 30]	(14,290,719)	(28,370,014)
Hong Kong Jockey Club Charities Trust	(27,100,051)	(26,488,392)
Mental Health Public Education Program (Public Subscription Permit No. 2017/175/1)	(7,652)	-
Production expenses	(51,530,174)	(84,639,776)
Gain/ (Loss) on foreign exchange, net	584,466	(579,196)
Amount refund to Government	(612,862)	(814,219)
	<u>(573,857,129)</u>	<u>(601,115,926)</u>
SURPLUS BEFORE TAXATION	1,456,253	5,666,198
TAXATION [Note 5]	-	325,885
SURPLUS FOR THE YEAR	1,456,253	5,992,083
ITEMS INCLUDED IN SMALL ENTERPRISES FUND (SWD)		
Grant for Small Enterprise Fund (SWD) for the year	-	34,385
NET SURPLUS FOR THE YEAR	<u>1,456,253</u>	<u>6,026,468</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2021

(continued)

	<u>2021</u> HK\$	<u>2020</u> HK\$
NET SURPLUS FOR THE YEAR	1,456,253	6,026,468
OTHER COMPREHENSIVE EXPENSE		
<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 [Note 13]	<u>643,471</u>	<u>(1,875,344)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>2,099,724</u></u>	<u><u>4,151,124</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF RESERVE FUND FOR THE YEAR ENDED 31ST MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
SURPLUS FOR THE YEAR BEFORE TRANSFER	1,456,253	5,992,083
TRANSFER FROM/(TO):		
Designated funds -		
Investment revaluation reserve [Note 13]	(329,357)	-
Fund for Ching Kung House [Note 14]	-	2,610,985
Staff Welfare and Development Fund [Note 15]	(582,339)	(757,067)
Service Users' and Families' Welfare and Charitable Fund [Note 16]	-	(134,911)
Flag Day Fund [Note 17]	703,956	1,597,206
Production Floating Fund [Note 18]	-	82,252,005
Fundraising Campaign Fund [Note 19]	-	875,907
Dr. Wu Wai Yung Fund [Note 20]	(688,721)	281,478
Dr. Stella Liu Fund [Note 21]	(15,370)	(26,815)
Mrs. Esther De Sousa Fund [Note 22]	-	2,776,833
Subvention account -		
Lump Sum Grant Reserve Fund		
Lump Sum Grant Reserve [Note 23]	(6,664,866)	(7,801,570)
Provident Fund Reserve		
-Snapshot staff [Note 23]	(19,048)	(99,765)
-Non-snapshot staff [Note 23]	(3,120,682)	(3,276,572)
Social Welfare Subvention Surpluses		
Rent and Rates [Note 24]	(727,097)	(537,920)
Central Items [Note 24]	1,523,144	(1,774,003)
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund [Note 25]	5,381,493	1,742,747
Social Welfare Development Fund [Note 26]	(4,312)	749,527
SWD Allocation-One-Off Subsidy [Note 27]	(1,640,639)	(743,264)
Small Enterprise Fund (SWD) [Note 28]	345,944	1,049,461
Net amount transfer	<u>(5,837,894)</u>	<u>78,784,262</u>
(DEFICIT)/SURPLUS FOR THE YEAR AFTER TRANSFER [Note 12]	(4,381,641)	84,776,345
RESERVED FUND BROUGHT FORWARD	<u>90,904,346</u>	<u>6,128,001</u>
RESERVED FUND CARRIED FORWARD	<u><u>86,522,705</u></u>	<u><u>90,904,346</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES FOR THE YEAR ENDED 31ST MARCH 2021

	DESIGNATED FUND											DESIGNATED FUND TOTAL HK\$
	Reserved Fund HK\$	Investment Revaluation Reserve HK\$	Fund for China Kung House HK\$	Staff Welfare and Development Fund HK\$	Service Users' and Families' Welfare and Charitable Fund HK\$	Flag Day Fund HK\$	Production Floating Fund HK\$	Fundraising Campaign Fund HK\$	Dr. Wu Wai Yung Fund HK\$	Dr. Stella Liu Fund HK\$	Mrs. Esther De Sousa Fund HK\$	
Balance at 31st March 2019	6,128,001	(544,799)	2,610,985	3,115,283	1,470,981	11,483,604	82,252,005	875,907	3,145,289	1,918,614	2,776,833	
Surplus for the year ended 31st March 2020	5,992,083	-	-	-	-	-	-	-	-	-	-	
Grants for Small Enterprise Fund (SWD)	-	(1,875,344)	-	-	-	-	-	-	-	-	-	
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income/(expense) for the year ended 31st March 2020	5,992,083	(1,875,344)	-	-	-	-	-	-	-	-	-	
Transfer	78,784,262	-	(2,610,985)	757,067	134,911	(1,597,206)	(82,252,005)	(875,907)	(281,478)	26,815	(2,776,833)	
Balance as at 31st March 2020	90,904,346	(2,420,143)	-	3,872,350	1,605,892	9,886,398	-	-	2,863,811	1,945,429	-	
Surplus for the year ended 31st March 2021	1,456,253	-	-	-	-	-	-	-	-	-	-	
Grants for Small Enterprise Fund (SWD)	-	643,471	-	-	-	-	-	-	-	-	-	
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year ended 31st March 2021	1,456,253	643,471	-	-	-	-	-	-	-	-	-	
Transfer	(5,837,894)	329,357	-	582,339	-	(703,956)	-	-	688,721	15,370	-	
Balance as at 31st March 2021	86,522,705	(1,447,315)	-	4,454,689	1,605,892	9,182,442	-	-	3,552,532	1,960,799	-	

	SUBVENTION ACCOUNT										DESIGNATED FUND TOTAL HK\$
	Lump Sum Grant Reserve Fund HK\$	Provident Fund Reserve (Snapshot staff) HK\$	Provident Fund Reserve (Non-snapshot staff) HK\$	Social Welfare Subvention Surpluses - Rent & rates HK\$	Social Welfare Subvention Surpluses - Central Items surpluses HK\$	Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund HK\$	Social Welfare Development Fund HK\$	SWD Allocation - One-Off Subsidy HK\$	Small Enterprise Fund (SWD) HK\$	SUBVENTION ACCOUNT TOTAL HK\$	
Balance at 31st March 2019	138,080,429	1,396,360	28,932,995	(2,609,789)	350,125	7,159,104	1,733,012	-	1,924,076	176,966,312	
Surplus for the year ended 31st March 2020	-	-	-	-	-	-	-	-	-	-	
Grants for Small Enterprise Fund (SWD)	-	-	-	-	-	-	-	-	34,385	34,385	
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year ended 31st March 2020	-	-	-	-	-	-	-	-	-	-	
Transfer	7,801,570	99,765	3,276,572	537,920	1,774,003	(1,742,747)	(749,527)	743,264	(1,049,461)	10,691,359	
Balance as at 31st March 2020	145,881,999	1,496,125	32,209,567	(2,071,869)	2,124,128	5,416,357	983,485	743,264	909,000	187,692,056	
Surplus for the year ended 31st March 2021	-	-	-	-	-	-	-	-	-	-	
Grants for Small Enterprise Fund (SWD)	-	-	-	-	-	-	-	-	-	-	
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year ended 31st March 2021	-	-	-	-	-	-	-	-	-	-	
Transfer	6,664,866	19,048	3,120,682	727,097	(1,523,144)	(5,381,493)	4,312	1,640,639	(345,944)	4,926,063	
Balance as at 31st March 2021	152,546,865	1,515,173	35,330,249	(1,344,772)	600,984	34,864	987,797	2,383,903	563,056	192,618,119	

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
<i>Cash flows from operating activities</i>		
Surplus before taxation	1,456,253	5,666,198
Grants for Small Enterprises Fund	-	34,385
	<u>1,456,253</u>	<u>5,700,583</u>
Adjustments for:		
Interest income on bank deposits	(2,118,606)	(4,376,355)
Dividend income on marketable investments	(92,919)	(251,723)
Depreciation on property, plant and equipment	7,058,766	9,290,936
Loss on disposal of property, plant and equipment	27,410	21,537
	<u>6,330,904</u>	<u>10,384,978</u>
Operating surplus before working capital changes		
Decrease/(Increase) in:		
Inventories	279,154	(438,800)
Accounts and other receivables	26,623,673	(3,307,932)
Increase in creditors and accruals	10,439,939	3,037,336
	<u>43,673,670</u>	<u>9,675,582</u>
Net profits tax refunded	75,465	250,420
Net cash generated from operating activities	<u>43,749,135</u>	<u>9,926,002</u>
<i>Cash flows from investing activities</i>		
Interest received on bank deposits	2,747,768	4,333,686
Dividends received	92,919	114,209
Proceeds on disposal of marketable investments	274,748	-
Purchase of marketable investments	(272,756)	-
Payment on purchase of property, plant and equipment	(6,900,568)	(7,297,106)
Net (Decrease)/Increase in bank deposits of more than 3 months to maturity from date of deposit	(32,303,074)	27,811,059
Net cash (used in)/generated from investing activities	<u>(36,360,963)</u>	<u>24,961,848</u>
Net increase in cash and cash equivalents	<u>7,388,172</u>	<u>34,887,850</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 31ST MARCH 2021**

(continued)

	<u>2021</u> HK\$	<u>2020</u> HK\$
Net increase in cash and cash equivalents	7,388,172	34,887,850
Cash and cash equivalents at beginning of year	<u>67,923,660</u>	<u>33,035,810</u>
Cash and cash equivalents at end of year	<u><u>75,311,832</u></u>	<u><u>67,923,660</u></u>
Analysis of balances of cash and cash equivalents		
Time deposits with bank	235,150,484	175,847,410
Bank and cash balances	<u>43,311,832</u>	<u>62,923,660</u>
	278,462,316	238,771,070
Time deposits of more than 3 months to maturity from date of deposit	<u>(203,150,484)</u>	<u>(170,847,410)</u>
	<u><u>75,311,832</u></u>	<u><u>67,923,660</u></u>
<i>Non-cash transactions:</i>		
During the year the Group received scrip dividends in lieu of cash dividends of	<u><u>-</u></u>	<u><u>230,517</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

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 36(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, except Small Enterprise Fund, 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>2021</u>	<u>2020</u>
	HK\$	HK\$
Employment Support Scheme*	2,466,084	-
Auditors' remuneration	246,900	259,162
Staff costs	353,232,132	335,589,437
Depreciation on property, plant and equipment	7,058,766	9,290,936
Loss on disposal of property, plant and equipment	27,410	21,537
Rent under operating leases	14,875,134	15,950,374

* In 2020, several service units of the Association successfully applied for grants in sum of 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 [2020 - 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 [2020 - 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 [2020 - Same].

The taxes credited to the current and last years' statements of comprehensive income represent over-provision in respect of previous years.

The tax credited 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>2021</u> HK\$	<u>2020</u> HK\$
Deficit before taxation	<u>(5,085,460)</u>	<u>(4,169,711)</u>
Applied tax rate	<u>16.50%</u>	<u>16.50%</u>
Tax on deficit before taxation	(839,000)	(688,000)
Over-provision in respect of previous years	-	(325,885)
Tax effect of:		
Expenses that are not deductible for taxation purposes	3,000	229,000
Unrecognised temporary differences	22,000	248,000
Unrecognised tax loss	<u>814,000</u>	<u>211,000</u>
	<u>-</u>	<u>(325,885)</u>

At the reporting date, the subsidiary company has unused tax losses and deductible temporary differences of HK\$6,355,000 and HK\$6,676,000 [2020 - HK\$1,419,000 and HK\$6,547,000] 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 2021

6. Property, plant and equipment

	Land and <u>Buildings</u> HK\$	Construction and fitting out HK\$	Furniture and <u>Equipment</u> HK\$	Motor <u>Vehicle</u> HK\$	<u>Computer</u> HK\$	<u>Total</u> HK\$
<i>At cost</i>						
At 31st March						
2020	2	16,737,272	30,700,425	4,389,264	9,146,024	60,972,987
Additions	-	277,500	4,168,238	-	2,454,830	6,900,568
Disposal	-	-	(74,321)	-	(1,250)	(75,571)
At 31st March						
2021	2	17,014,772	34,794,342	4,389,264	11,599,604	67,797,984
<i>Accumulated depreciation</i>						
At 31st March						
2020	-	(15,904,090)	(24,191,836)	(1,643,204)	(7,155,092)	(48,894,222)
Charge for the year	-	(715,021)	(4,188,509)	(613,343)	(1,541,893)	(7,058,766)
Written back on disposal	-	-	47,224	-	937	48,161
At 31st March						
2021	-	(16,619,111)	(28,333,121)	(2,256,547)	(8,696,048)	(55,904,827)
<i>Carrying amount</i>						
At 31st March						
2021	2	395,661	6,461,221	2,132,717	2,903,556	11,893,157
At 31st March						
2020	2	833,182	6,508,589	2,746,060	1,990,932	12,078,765

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>2021</u> HK\$	<u>2020</u> HK\$
Hong Kong listed securities	<u>6,279,190</u>	<u>5,637,711</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

8. Account and other receivables

	<u>2021</u> HK\$	<u>2020</u> HK\$
Contract deposits	7,291,587	6,581,044
Accounts receivable	9,060,478	12,218,401
Rental deposits	1,939,241	1,824,107
Utility deposits	2,213,716	1,992,962
Sundry deposits	142,466	135,498
Prepayments	12,657,213	7,751,702
Interest receivable	167,279	796,441
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	4,246,576	10,819,477
On-site Training Programme	151,497	548,016
Queen Elizabeth Foundation for the Mentally Handicapped	29,305	29,305
Hong Kong Jockey Club Charities Trust	2,240,848	29,384,182
Shih Wing Ching Foundation	14,917	-
Fu Tak Iam Foundation	78,548	-
Community Chest	335,116	143,616
SWD- Innovation and Technology Fund	4,741,102	-
Environment and Conservation Fund	-	337,973
	<u>45,310,889</u>	<u>72,563,724</u>

9. Time deposits with banks

	<u>2021</u> HK\$	<u>2020</u> HK\$
Funds from :		
Social Welfare Subvention Reserve Funds	156,473,928	144,492,916
Other Funds	78,676,556	31,354,494
Total time deposits with banks	<u>235,150,484</u>	<u>175,847,410</u>
<i>Analysis:</i>		
Time deposits of less than 3 months to maturity from date of deposit	32,000,000	5,000,000
Time deposits of more than 3 months to maturity from date of deposit	<u>203,150,484</u>	<u>170,847,410</u>
	<u>235,150,484</u>	<u>175,847,410</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

10. Creditors and accruals

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Accounts payable	2,322,564	1,937,372
Accruals	9,102,857	7,547,163
Other payables	3,089,973	4,081,131
Receipt in advance (included temporary credit)	1,669,974	536,558
Deferred income	7,253,229	6,652,533
Deposits of clients (for keys and lockers)	109,128	104,988
Rental deposits	38,000	41,000
Other deposits received	1,652,620	1,635,820
Accounts with:		
Lotteries Fund (WI-FI Project) [Note 35]	2,089,469	1,405,363
SWD-Employment Support Service	351,896	-
Integrated Employment Assistance Programme for		
Self-reliance	247,500	247,500
Chow Tai Fook Charity Foundation	5,793,873	3,940,306
Janssen HK	89,352	364,430
Koo Foundation	744,000	-
Public Education Fund	22,949	-
Enhancing Employment of People with Disabilities		
through Small Enterprises Project	7,130	7,130
Employees Retraining Board Fund	275,159	284,147
UPS Foundation	75,089	75,089
Food Sharing Project	188,415	534,150
Contribution	3,944,687	3,631,761
HK Art development fund	56,283	-
Community Investment and Inclusion Fund	410,669	281,257
Environment and Conservation Fund	659,016	-
Community Green Station	2,863,290	806,998
Education Bureau	683,321	-
Mindset project	881,003	66,811
	<u>44,621,446</u>	<u>34,181,507</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

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>2021</u> HK\$	<u>2020</u> HK\$
<i>Assets</i>		
Furniture and equipment ^(Remark)	-	-
Utility and other deposits	17,800	17,800
Cash balances	220,055	206,172
<i>Liabilities</i>		
Other payables and accrued charges	(21,130)	(9,310)
Tenants' deposits	<u>(68,578)</u>	<u>(68,578)</u>
<i>Net assets</i>	<u><u>148,147</u></u>	<u><u>146,084</u></u>

Remark: Movements in furniture and equipment

	<u>HK\$</u>
<i>Cost</i>	
At 31st March 2020 and 2021	5,270
<i>Accumulated depreciation</i>	
At 31st March 2020 and 2021	<u>(5,270)</u>
<i>Net book value</i>	
At 31st March 2020 and 2021	<u><u>-</u></u>

12. Reserved Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	90,904,346	6,128,001
Movements during the year		
Surplus for the year	<u>1,456,253</u>	<u>5,992,083</u>
Transfer (to)/from various funds and reserves	<u>(5,837,894)</u>	<u>78,784,262</u>
(Deficit)/Surplus for the year after transfer ^{Remark}	<u>(4,381,641)</u>	<u>84,776,345</u>
Balance at end of year	<u><u>86,522,705</u></u>	<u><u>90,904,346</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

12. Reserved Fund (continued)

Remark :	<u>2021</u> HK\$	<u>2020</u> HK\$
(Deficit)/Surplus for the year after transfer represents:		
Surplus/(Deficit) from subvented service units [Note 31]	555,719	105,181
Surplus/(Deficit) from Community Chest allocation	11,595	(536,334)
Deficit from self financed units/projects	(1,169,762)	(2,779,596)
Deficit from subsidiary company	(5,085,460)	(3,843,826)
Surplus from production of shelter workshops and supported employment service	898,926	567,720
(Deficit)/Surplus from Ching Kung House	(247,613)	215,594
Transfer from Small Enterprise Fund (SWD) [Note 28]	345,944	1,049,461
Transfer from Fund for Ching Kung House [Note 14]	-	2,610,985
Transfer from Production Floating Fund [Note 18]	-	82,252,005
Transfer from Fundraising Campaign Fund [Note 19]	-	875,907
Transfer from Mrs. Esther De Sousa Fund [Note 22]	-	2,776,833
Interest income on time deposits/bond investments	545,448	1,400,436
Dividend income	92,919	251,723
Loss on foreign exchange on time deposits for Reserve Fund	-	(169,744)
Loss on disposal of investment	(329,357)	-
	<u>(4,381,641)</u>	<u>84,776,345</u>

13. Investment Revaluation Reserve

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	(2,420,143)	(544,799)
Change in fair value of investments at fair value through other other comprehensive income	643,471	(1,875,344)
Amount released on disposal of investments at fair value through other comprehensive income	329,357	-
Balance at end of year	<u>(1,447,315)</u>	<u>(2,420,143)</u>

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.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2021***14. Fund for Ching Kung House**

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	-	2,610,985
Amount transferred to Reserved Fund	<u>-</u>	<u>(2,610,985)</u>
Balance at end of year	<u><u>-</u></u>	<u><u>-</u></u>

The fund is established as an operating fund for financing living expenses of a designated service user and the property management of Ching Kung House.

15. Staff Welfare and Development Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	3,872,350	3,115,283
Movements during the year		
Operating income	<u>582,339</u>	<u>757,067</u>
Amount transferred from Reserved Fund	<u>582,339</u>	<u>757,067</u>
Balance at end of year	<u><u>4,454,689</u></u>	<u><u>3,872,350</u></u>

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

16. Service Users' and Families' Welfare and Charitable Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning and at end of year	1,605,892	1,470,981
Movements during the year		
Operating income	<u>-</u>	<u>152,016</u>
Direct expenses	<u>-</u>	<u>(17,105)</u>
Amount transferred from Reserved Fund	<u>-</u>	<u>134,911</u>
Balance at end of year	<u><u>1,605,892</u></u>	<u><u>1,605,892</u></u>

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

17. Flag Day Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	9,886,398	11,483,604
Movements during the year		
Surplus/(Deficit) from Jockey Club New Life Institute ^{Remark 1}	253,904	(313,071)
Asia Pacific Accessible Art Festival 2019	-	(26,795)
Happy ageing 330-Older Adult Project ^{Remark 2}	(983,003)	(1,252,015)
New Life 330 - second phase of audio track, mobile applications & webpage works ^{Remark 3}	(143,400)	-
Sustainable Development of Integrated Community Centre for Mental Wellness on Physical Wellness	(85,680)	-
New Life 330 project	309,724	(5,325)
330 members' actives	(55,501)	-
Amount transferred to Reserved Fund	<u>(703,956)</u>	<u>(1,597,206)</u>
Balance at end of year	<u>9,182,442</u>	<u>9,886,398</u>

Remark :

	<u>2021</u> HK\$	<u>2020</u> HK\$
(1) Surplus/(Deficit) from Jockey Club New Life Institute :		
Operating income from Jockey Club New Life Institute (dues and fees, rental income and miscellaneous receipts)	2,190,517	2,335,303
Direct expenses		
Personnel emoluments	(362,598)	(582,573)
Administration and programme expenses	(1,108,681)	(1,452,087)
Rent and rates	(130,048)	(131,205)
Other expenses (utilities, stores and equipment, transportation and miscellaneous expenses)	<u>(335,286)</u>	<u>(482,509)</u>
	<u>253,904</u>	<u>(313,071)</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

17. Flag Day Fund (continued)

Remark :	<u>2021</u> HK\$	<u>2020</u> HK\$
(2) Happy ageing 330-Older Adult Project :		
Usage of Net Proceeds of 2015/16 Flag Day :		
Balance at beginning of year	-	761,898
Utilization	-	(761,898)
Balance at end of year	-	-
Usage of Net Proceeds of 2016/17 Flag Day :		
Balance at beginning of year	1,015,078	1,505,195
Utilization	(983,003)	(490,117)
Balance at end of year	32,075	1,015,078
(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	1,137,330	1,137,330
Utilization	(143,400)	-
Balance at end of year	993,930	1,137,330

18. Production Floating Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	-	82,252,005
Amount transferred to Reserved Fund	-	(82,252,005)
Balance at end of year	-	-

The fund is established as a supportive fund for financing the Association's own service units' development, production and business.

19. Fundraising Campaign Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	-	875,907
Amount transferred to Reserved Fund	-	(875,907)
Balance at end of year	-	-

The fund is established as a supportive fund for financing fundraising activities and community mental health promotion campaigns.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2021***20. Dr. Wu Wai Yung Fund**

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	2,863,811	3,145,289
Movements during the year		
Operating income	115,115	106,182
Direct expenses	(13,687)	(4,121)
Interest income on time deposits	2,827	25,913
Gain/(Loss) on foreign exchange	584,466	(409,452)
Amount transferred from/(to) Reserved Fund	<u>688,721</u>	<u>(281,478)</u>
Balance at end of year	<u>3,552,532</u>	<u>2,863,811</u>

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

21. Dr. Stella Liu Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	1,945,429	1,918,614
Movements during the year		
Interest income on time deposits	15,370	26,815
Amount transferred from Reserved Fund	<u>15,370</u>	<u>26,815</u>
Balance at end of year	<u>1,960,799</u>	<u>1,945,429</u>

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

22. Mrs. Esther De Sousa Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	-	2,776,833
Amount transfer to Reserved Fund	<u>-</u>	<u>(2,776,833)</u>
Balance at end of year	<u>-</u>	<u>-</u>

The fund is established as a supportive fund for financing the development of new services to meet service gaps, and for establishing a practice and research centre.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

23. 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 2019	138,080,429	1,396,360	28,932,995	30,329,355
Movements during the year				
Grant received	345,198,096	8,369,230	18,324,976	26,694,206
Personnel emolument/OC/PF net fee/other income	(340,278,019)	(7,455,246)	(15,221,598)	(22,676,844)
Interest income on time deposits	2,881,493	-	-	-
Amount transferred from Reserved Fund	7,801,570	913,984	3,103,378	4,017,362
Amount refunded to Government	-	(814,219)	-	(814,219)
Additional subvention received for previous year	-	-	173,194	173,194
	<u>7,801,570</u>	<u>99,765</u>	<u>3,276,572</u>	<u>3,376,337</u>
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	-	-	-
Amount transferred from Reserved Fund	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(s)	-	-	164,167	164,167
	<u>6,664,866</u>	<u>19,048</u>	<u>3,120,682</u>	<u>3,139,730</u>
Balance at 31st March 2021	<u>152,546,865</u>	<u>1,515,173</u>	<u>35,330,249</u>	<u>36,845,422</u>

- 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, effective 1st April 2015.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

24. Social Welfare Subvention Surpluses

	<u>Rent and Rates</u> HK\$	<u>Central Items</u> HK\$	<u>Total</u> HK\$
Balance at 31st March 2019	(2,609,789)	350,125	(2,259,664)
Movements during the year			
Grant received	14,988,394	3,719,676	18,708,070
Amount repaid to Government	(18,417)	-	(18,417)
Rent and rates paid	(14,432,057)	-	(14,432,057)
Central items paid	-	(1,945,673)	(1,945,673)
	<u>537,920</u>	<u>1,774,003</u>	<u>2,311,923</u>
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	<u>727,097</u>	<u>(1,523,144)</u>	<u>(796,047)</u>
Balance at 31st March 2021	<u>(1,344,772)</u>	<u>600,984</u>	<u>(743,788)</u>

25. Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	5,416,357	7,159,104
Movements during the year		
Grant received	5,968,000	5,185,000
Miscellaneous receipts	-	120,000
Interest income on time deposits	27,972	38,825
Payment for:		
Minor works projects	(7,336,561)	(5,565,032)
Furniture and equipment	(4,002,082)	(1,521,540)
Vehicle Overhauling	(38,822)	-
Amount transferred to Reserved Fund	<u>(5,381,493)</u>	<u>(1,742,747)</u>
Balance at end of year	<u>34,864</u>	<u>5,416,357</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

25. Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund
(continued)

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.

26. Social Welfare Development Fund

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

	<u>2021</u> HK\$	<u>2020</u> HK\$
<i>SWDF Phase 3</i>		
Balance at beginning of year	983,485	1,733,012
Movements during the year		
Grant received	502,778	190,000
Interest on time deposits	326	1,916
Payment for		
1) Expenditure for projects under scope A	(29,372)	830
2) Expenditure for projects under scope B	(425,920)	(840,773)
3) Expenditure for projects under scope C	(43,500)	(101,500)
4) Expenditure for projects under administrative support	-	-
Amount transferred from/(to) Reserved Fund	<u>4,312</u>	<u>(749,527)</u>
Balance at end of year	<u>987,797</u>	<u>983,485</u>

27. SWD Allocation-One-Off Subsidy

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	743,264	-
Movements during the year		
Grant income	3,980,178	1,505,160
Direct expenses	(2,339,539)	(761,896)
Amount transferred from Reserved Fund	<u>1,640,639</u>	<u>743,264</u>
Balance at end of year	<u>2,383,903</u>	<u>743,264</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 2021

28. 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>Grant received HK\$</u>	<u>Transferred among Projects HK\$</u>	<u>Transferred to Reserved Fund HK\$</u>	<u>Balance carried forward HK\$</u>
2021					
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>-</u>	<u>(345,944)</u>	<u>563,056</u>
2020					
Café 330 - CMC	792,174	-	-	(384,575)	407,599
Café 330 - CU	179,582	-	-	(89,791)	89,791
Café 330 - HKU	13,618	-	-	(6,809)	6,809
Delight Kitchen	257,393	-	-	(131,452)	125,941
Drinks 330	<u>681,309</u>	<u>34,385</u>	<u>-</u>	<u>(436,834)</u>	<u>278,860</u>
	<u>1,924,076</u>	<u>34,385</u>	<u>-</u>	<u>(1,049,461)</u>	<u>909,000</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 2021

29. Property management reserve held on behalf of MINDSET Place

	<u>2021</u> HK\$	<u>2020</u> HK\$
<i>Income for the year ended 31st March</i>		
Building management fees	202,956	191,016
Interest income	<u>2</u>	<u>109</u>
	202,958	191,125
<i>Expenditure for the year ended 31st March</i>		
Administration expenses		
Insurance	(16,141)	(12,745)
Personnel emolument	(50,964)	(31,390)
Staff wellness expenses	(360)	(887)
Printing and stationery	(138)	-
Administration expenses	(11,294)	(10,090)
Miscellaneous expenses	(64)	-
Utilities	(15,110)	(25,487)
Repairs and maintenance	(106,824)	(97,894)
	<u>(200,895)</u>	<u>(178,493)</u>
<i>Surplus for the year ended 31st March</i>	2,063	12,632
<i>Accumulated surplus brought forward</i>	<u>146,084</u>	<u>133,452</u>
<i>Accumulated surplus carried forward</i>	<u>148,147</u>	<u>146,084</u>

30. Lotteries Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
a) <i>Procurement of Household / Furniture and Equipment:</i>		
The Wellness Centre - Shatin	-	265,917
The Wellness Centre - Kwai Chung	-	378,388
Mobile Van for Publicity Service on Mental Wellness	162,556	44,388
Shek Pai Wan Integrated Work Centre	-	48,545
Chuk Yuen Integrated Work Centre	(1,598)	48,545
New Life Building Sheltered Workshop	(1,598)	48,545
Supported Centre for Persons with Autism	261,423	179,803
Kwai Shing Sheltered Workshop	(799)	48,545
Tin King Sheltered Workshop	(1,598)	97,090
	<u>418,386</u>	<u>1,159,766</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

30. Lotteries Fund (continued)

	<u>2021</u> HK\$	<u>2020</u> HK\$
b) <i>Fitting-out Works:</i>		
Chuk Yuet Halfway House	-	936,415
New Life Building Halfway House I	-	33,481
New Life Building Halfway House II	-	23,305
Jockey Club Farm House	-	426,295
Tin King Hostel	-	161,933
Joyous Place	-	721,305
Tuen Mun Long Stay Care Home	28,209	-
Supported Centre for Persons with Autism	1,086,568	18,750
Mindset Place	-	161,400
Yi Yuet Hin	329,490	-
The Wellness Centre - Shatin	446,104	2,415,594
The Wellness Centre - Islands	35,000	985,400
The Wellness Centre - Kwai Chung	-	3,278,158
	<u>1,925,371</u>	<u>9,162,036</u>
c) <i>Pilot project on PSW in Community Service</i>		
Agency-based community services	-	(674)
d) <i>Undertake Fire Safety/Building Safety Rectification Measures:</i>		
Sun Chui Halfway House	22,400	631,750
Pok Hong Halfway House	2,948	203,473
Shan King Halfway House	31,600	853,798
Shek Lei Halfway House	726,620	312,000
Chuk Yuet Halfway House	-	39,000
Lei Tung Halfway House	215,511	597,272
Jockey Club Farm House	4,940	-
New Life Jubilee House	225,540	1,027,143
Tin King Hostel	-	39,200
New Life Building Halfway House I	-	2,200
New Life Building Halfway House II	-	1,800
New Life Building Halfway House III	-	11,918
Tuen Mun Long Stay Care Home	1,841,081	3,998,039
Yuet Wo House	2,207,858	2,515,997
Yi Yuet Hin	3,911,354	1,399,892
Mindset Place	1,933,896	2,297,427
New Life Building Long Stay Care Home	823,214	3,795,145
	<u>11,946,962</u>	<u>17,726,054</u>
e) <i>Procurement of Vehicle:</i>		
Chuk Yuen Integrated Work Centre	-	322,832
	<u>14,290,719</u>	<u>28,370,014</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

30. Lotteries Fund (continued)

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

At 31st March 2021, the outstanding commitments in respect of the Lotteries Fund Block Grant and the Lotteries Fund Project Grant are as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Contracted for but not provided in the financial statement in respect of:		
Lotteries Fund Block Grant	-	-
Lotteries Fund Project Grant	<u>256,994</u>	<u>1,758,421</u>
	<u><u>256,994</u></u>	<u><u>1,758,421</u></u>

31. 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>2021</u> HK\$	<u>2020</u> HK\$
Central Administration		
Central Administration Expenses	<u>251,286</u>	<u>353,199</u>
Management Office at New Life Building	<u>8,459</u>	<u>(38,871)</u>
	<u>259,745</u>	<u>314,328</u>
Workshops and Hostels		
Sun Chui Halfway House	<u>721</u>	<u>(115)</u>
Pok Hong Halfway House	<u>1,734</u>	<u>(128)</u>
Tin Yuet Halfway House	<u>2,153</u>	<u>(133)</u>
Shan King Halfway House	<u>1,054</u>	<u>(126)</u>
Shek Lei Halfway House	<u>1,413</u>	<u>(134)</u>
Chuk Yuen Halfway House	<u>1,958</u>	<u>(143)</u>
Balance of Workshops and Hostels carried down	<u>9,033</u>	<u>(779)</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

31. Transfer of surpluses social welfare subvention (continued)

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

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Workshops and Hostels		
Balance of Workshops and Hostels brought down	9,033	(779)
Lei Tung Halfway House	839	(152)
New Life Building Halfway House (I)	1,968	(138)
New Life Building Halfway House (II)	763	71
New Life Building Halfway House (III)	2,063	(160)
Jockey Club Farm House	838	(191)
Agency-based Peer Support Service in Community Psychiatric Service Units	82	(1,183)
New Life Jubilee Hostel	1,115	(206)
Tin King Hostel	914	(178)
Joyous Place	2,261	920
Tuen Mun Long Stay Care Home	4,495	(1,139)
New Life Building Long Stay Care Home	3,697	11,053
Mobile Van for Publicity Service on Mental Wellness	550	(2)
The Wellness Centre - Sham Shui Po	93,992	(4,464)
The Wellness Centre - Tuen Mun	8,310	15,549
The Wellness Centre - Shatin	4,177	4,119
The Wellness Centre - Tin Shui Wai	4,200	8,318
The Wellness Centre - Kwai Chung	1,020	(77,533)
The Wellness Centre - Yau Tsim Mong	7,881	4,642
The Wellness Centre - Islands	4,072	4,158
Kwai Shing Sheltered Workshop	3,606	14,988
Shek Pai Wan Integrated Work Centre	13,206	1,733
Tin King Sheltered Workshop	35,878	13,027
Chuk Yuen Integrated Work Centre	5,808	(3,229)
New Life Building Sheltered Workshop	4,520	18,417
New Life Farm Sheltered Workshop	(43,402)	(51,750)
Agency-Based Vocational Support	85	5,183
Work Extension Programme	203	(54)
Supported Centre for Persons with Autism	517	(74)
Supported Employment Service	123,149	(170,063)
On the Job Training Programme	134	(30)
	<u>295,974</u>	<u>(209,147)</u>
	<u>555,719</u>	<u>105,181</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2021***32. Categories of financial assets and financial liabilities**

	<u>2021</u> HK\$	<u>2020</u> HK\$
<i>Financial assets:</i>		
Non-current assets -		
Equity investments at fair value through other comprehensive income	6,279,190	5,637,711
Current assets - at amortized cost:		
Receivables [excluding prepayments]	32,653,676	64,812,022
Bank deposits and cash	<u>278,462,316</u>	<u>238,771,070</u>
	<u>317,395,182</u>	<u>309,220,803</u>
<i>Financial liabilities:</i>		
Current liabilities - at amortized cost:		
Payables [excluding receipt in advance]	<u>42,951,472</u>	<u>33,644,949</u>

33. 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>2021</u> HK\$	<u>2020</u> HK\$
Not later than one year	10,138,743	11,096,631
Later than one year but not later than five years	<u>6,855,984</u>	<u>12,038,998</u>
	<u>16,994,727</u>	<u>23,135,629</u>

34. 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 [2020 - Same].

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2021***35. Lotteries Fund (Wi-Fi Project)**

Income and Expenditure Statement for

Lotteries Fund Experimental project of Limited duration

For the year ended 31st March 2021

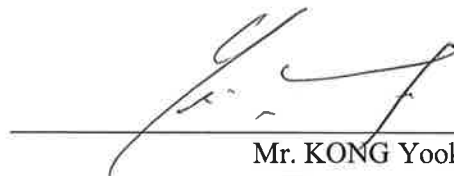
Organisation Name : New Life Psychiatric Rehabilitation Association

	<u>Wi-Fi Project</u> <u>35141-837-4510-0000</u>	
	<u>2021</u>	<u>2020</u>
	<u>HK\$</u>	<u>HK\$</u>
Income		
Lotteries Fund Grant	699,600	1,405,363
Interest Income	<u>3,456</u>	<u>-</u>
Total Income (A)	<u>703,056</u>	<u>1,405,363</u>
Expenditure		
Other Expenditure:		
(i) Technical set-up and installation cost	-	-
(ii) Operating expenses	<u>18,950</u>	<u>-</u>
Total Expenditure (B)	<u>18,950</u>	<u>-</u>
Surplus for the year (C) = (A) - (B)	<u>684,106</u>	<u>1,405,363</u>
Add : Cumulated income b/f (D)	1,405,363	-
Cumulated expenditure b/f (E)	<u>-</u>	<u>-</u>
Cumulated surplus / (deficit) b/f (F) = (D) - (E)	<u>1,405,363</u>	<u>-</u>
Cumulated surplus c/f (G) = (C) + (F)	<u>2,089,469</u>	<u>1,405,363</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 **20 AUG 2021**



Miss TAM Kam Lan, Annie, GBS, JP
Chairperson



Mr. KONG Yook Seng
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

36. Statement of Financial Position of the Association at 31st March 2021

	<u>Note</u>	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
NON-CURRENT ASSETS			
Property, plant and equipment	36(a)	10,690,191	10,801,511
Investment in subsidiary company	36(b)	22,176,672	6,275,034
Equity investments at fair value through other comprehensive income	7	<u>6,279,190</u>	<u>5,637,711</u>
		39,146,053	22,714,256
CURRENT ASSETS			
Inventories - goods for sale		630,285	739,526
Accounts and other receivables	36(c)	43,008,483	70,812,986
Time deposits with banks	9	235,150,484	175,847,410
Bank and cash balances		30,090,798	62,251,914
		308,880,050	309,651,836
CURRENT LIABILITIES			
Creditors and accruals	36(d)	(39,149,339)	(30,674,512)
NET CURRENT ASSETS			
		<u>269,730,711</u>	<u>278,977,324</u>
NET ASSETS			
		<u><u>308,876,764</u></u>	<u><u>301,691,580</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

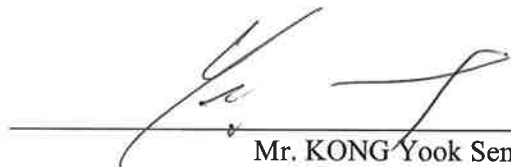
36. Statement of Financial Position of the Association at 31st March 2021 (continued)

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<i>representing:</i>			
DESIGNATED FUNDS			
Reserved Fund	36(e)	97,512,662	97,154,787
Investment Revaluation Reserve	13	(1,447,315)	(2,420,143)
Staff Welfare and Development Fund	15	4,454,689	3,872,350
Service Users' and Families' Welfare and Charitable Fund	16	1,605,892	1,605,892
Flag Day Fund	17	9,182,442	9,886,398
Dr. Wu Wai Yung Fund	20	3,552,532	2,863,811
Dr. Stella Liu Fund	21	1,960,799	1,945,429
		116,821,701	114,908,524
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	23	152,546,865	145,881,999
Provident Fund Reserve			
- Snapshot staff	23	1,515,173	1,496,125
- Non-snapshot staff	23	35,330,249	32,209,567
Social Welfare Subvention Surpluses			
Rent and Rates	24	(1,344,772)	(2,071,869)
Central Items Surpluses	24	600,984	2,124,128
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund	25	34,864	5,416,357
Social Welfare Development Fund	26	987,797	983,485
SWD Allocation-One-Off Subsidy	27	2,383,903	743,264
		192,055,063	186,783,056
		308,876,764	301,691,580

Approved and authorised for issue by the Executive Committee on **20 AUG 2021**



Miss TAM Kam Lan, Annie, GBS, JP
Chairperson



Mr. KONG Yook Seng
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

36. Statement of Financial Position of the Association at 31st March 2021 (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 2020	2	24,481,992	4,133,855	9,146,024	37,761,873
Additions	-	3,354,994	-	2,454,830	5,809,824
Disposal	-	(67,321)	-	(1,250)	(68,571)
At 31st March 2021	2	27,769,665	4,133,855	11,599,604	43,503,126
<i>Accumulated depreciation</i>					
At 31st March 2020	-	(18,417,475)	(1,387,795)	(7,155,092)	(26,960,362)
Charge for the year	-	(3,741,998)	(613,343)	(1,541,893)	(5,897,234)
Written back on disposal	-	43,724	-	937	44,661
At 31st March 2021	-	(22,115,749)	(2,001,138)	(8,696,048)	(32,812,935)
<i>Carrying amount</i>					
At 31st March 2021	2	5,653,916	2,132,717	2,903,556	10,690,191
At 31st March 2020	2	6,064,517	2,746,060	1,990,932	10,801,511

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>2021</u> HK\$	<u>2020</u> HK\$
Unlisted shares, at cost	15,000,020	6,000,020
Amount due from subsidiary company	<u>7,176,652</u>	<u>275,014</u>
	<u>22,176,672</u>	<u>6,275,034</u>

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 2021

36. Statement of Financial Position of the Association at 31st March 2021 (continued)

(c) Account and other receivables

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Contract deposits	7,291,587	6,581,044
Accounts receivable	8,374,181	11,621,912
Rental deposits	1,939,241	1,824,107
Utility deposits	1,158,001	1,153,351
Sundry deposits	142,466	135,498
Prepayments	12,096,819	7,437,064
Interest receivable	167,279	796,441
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	4,246,576	10,819,477
On-site Training Programme	151,497	548,016
Queen Elizabeth Foundation for the Mentally Handicapped	29,305	29,305
Hong Kong Jockey Club Charities Trust	2,240,848	29,384,182
Shih Wing Ching Foundation	14,917	-
Fu Tak Iam Foundation	78,548	-
Community Chest	335,116	143,616
SWD- Innovation and Technology Fund	4,741,102	-
Environment and Conservation Fund	-	337,973
	<u>43,008,483</u>	<u>70,812,986</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

36. Statement of Financial Position of the Association at 31st March 2021 (continued)

(d) Creditors and accruals

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Accounts payable	1,698,038	1,471,198
Accruals	4,372,149	4,541,239
Other payables	3,089,973	4,081,131
Receipt in advance (included temporary credit)	1,553,101	501,661
Deferred income	7,253,229	6,652,533
Deposits of clients (for keys and lockers)	109,128	104,988
Rental deposits	38,000	41,000
Other deposits received	1,652,620	1,635,820
Accounts with:		
Lotteries Fund (WI-FI Project) [Note 35]	2,089,469	1,405,363
SWD - Employment Support Service	351,896	-
Integrated Employment Assistance Programme for Self-reliance	247,500	247,500
Chow Tai Fook Charity Foundation	5,793,873	3,940,306
Janssen HK	89,352	364,430
Koo Foundation	744,000	-
Public Education Fund	22,949	-
Enhancing Employment of People with Disabilities through Small Enterprises Project	7,130	7,130
Employees Retraining Board Fund	275,159	284,147
UPS Foundation	75,089	75,089
Food Sharing Project	188,415	534,150
Contribution	3,944,687	3,631,761
HK Art development fund	56,283	-
Community Investment and Inclusion Fund	410,669	281,257
Environment and Conservation Fund	659,016	-
Community Green Station	2,863,290	806,998
Education Bureau	683,321	-
Mindset project	881,003	66,811
	<u>39,149,339</u>	<u>30,674,512</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2021

36. Statement of Financial Position of the Association at 31st March 2021 (continued)

(e) Reserved Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance at beginning of year	97,154,787	9,584,077
Movements during the year		
Surplus for the year	6,541,713	9,835,909
Transfer (to)/from various funds and reserves*	(6,183,838)	77,734,801
Surplus for the year after transfer ^{Remark}	<u>357,875</u>	<u>87,570,710</u>
Balance at end of year	<u><u>97,512,662</u></u>	<u><u>97,154,787</u></u>
Remark:		
Surplus for the year after transfer represents:		
Surplus from subvented service units [Note 31]	555,719	105,181
Surplus/(Deficit) from Community Chest allocation	11,595	(536,334)
Deficit from self financed units/projects	(1,169,762)	(2,779,596)
Surplus from production of shelter workshops and supported employment service	898,926	567,720
(Deficit)/Surplus from Ching Kung House	(247,613)	215,594
Transfer from Fund for Ching Kung House [Note 14]	-	2,610,985
Transfer from Production Floating Fund [Note 18]	-	82,252,005
Transfer from Fundraising Campaign Fund [Note 19]	-	875,907
Transfer from Mrs. Esther De Sousa Fund [Note 22]	-	2,776,833
Interest income on time deposits/bond investments	545,448	1,400,436
Dividend income	92,919	251,723
Loss on foreign exchange on time deposits		
Fund	-	(169,744)
Loss on disposal of investment	<u>(329,357)</u>	<u>-</u>
	<u><u>357,875</u></u>	<u><u>87,570,710</u></u>
* Transfer amount per consolidated financial statements	5,837,894	(78,784,262)
Exclusion of transfer amount from :		
Small Enterprise Fund (SWD) for operation of subsidiary company	<u>345,944</u>	<u>1,049,461</u>
	<u><u>6,183,838</u></u>	<u><u>(77,734,801)</u></u>