

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 2024

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 2024

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NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

EXECUTIVE COMMITTEE MEMBERS

Chairperson

Miss TAM Kam Lan, Annie, GBS, JP

Vice-chairperson

Dr. YU Chi Shing, Edwin, MH

Honorary Secretary

Dr. CHEUNG Hung Kin

Honorary Treasurer

Mr. CHAU Gee Hung, Henry

Members

Mrs. Helen CHAN, SBS

Dr. LEE Chi Chiu

Dr. LO Wai Fan, Alison

Mr. WONG Kwong Yeung, Simon, MH

Ms. WOO Yuen Ling

Dr. YEUNG Kwok Wah, Allen

Mr. YOUNG Wai Tsing, Stephen

Mr. YU Wai Wai, JP

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 2024.

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 more than 110,000 service users.

(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 levels of care and support need, the residential service provides 24-hour recovery-oriented services to residents who are not yet ready for independent living. The Association operates 3 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 2023/24, Internal Audit Department completed the four reviews on "Recruitment", "Payroll", "Conflict of Interests", and "Crisis Management and Emergency Plan". The internal audit reports and recommendations were 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 fees and charges received from users receiving welfare services. Investment income represents bank interest, dividend income and investment gain obtained from our investing activities as guided by the investment policy.

The Honorary Auditor audited and expressed unmodified opinion on the Association's 2023/24 financial report. The Association's total income for financial year 2023/24 was HK\$732 million. The two major sources of income were Lump Sum Grant from the Social Welfare Department for delivering recurrent welfare services (58.96%) and the fee income received for providing welfare services (13.85%). Grants from Lotteries Fund, the Hong Kong Jockey Club Charities Trust, and The Community Chest of Hong Kong made up about 14.85%, 5.40%, and 0.34% of the total income respectively. Donation, investment income and other income accounted for the remaining 6.60% of the annual income.

BUSINESS REVIEW (continued)

(III) Principle risks and uncertainties (continued)

(a) Financial Risks (continued)

The total operating expenditure of the Association for financial year 2023/24 was HK\$736 million. Cost of service operation and service support represented 69.84% and 26.08% of the total expenditure respectively. Management and administration cost constituted about 4.08% of the annual expenditure.

In financial year 2023/24, there was an overall deficit of HK\$3.88 million. As of 31 March 2024, 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 labour supply has been challenging. 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 physical and mental health, along with providing supporting services such as Employee Assistance Program, Flexible Work Hours, Occupational Health and Safety to enhance employee wellbeing.

(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. In financial year 2023/24, the Association completed an internal service audit exercise for all of its service units subvented by Lump Sum Grant. The internal audit results were satisfactory and had been reported to Social Welfare Department.

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 2023/24, the Association maintains a membership of 182.

(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 1,500 staff comprising of professional, management, administrative, frontline and support staff.

(d) External Partners

External partners of the Group include:

- i) Government Bureaus and Departments;
- 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 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's Green@Kwai Tsing, funded by the Environmental Protection Department, entered its 6th year of operation. In 2023/24, over 986.5 tons of recyclables were collected from 231 residential estates and partner organisations. The cumulative recycling volume had reached 3,210 tons since 2018. Green@Kwai Tsing actively organized different types of educational activities, including 14 featured events and 158 workshops attracting a total of 7,062 attendees. GREEN@Kwai Tsing was invited by Environmental Protection Department participate in an Annual Engagement Session in November 2023 to share its success in achieving an outstanding performance in recycling plastics among recycling station operators.”
- (b) The New Life Building was awarded the “Wastewi\$e Certificate – Excellent Level” by the Environmental Campaign Committee in 2023/24. The award, together with the “Energywi\$e Certificate – Good Level” and the “Hong Kong Green Organisation” certification, this demonstrated the importance the Association places on environmental performance and green achievements.
- (c) The Association signed the “Energy Saving Charter 2023” which was launched by Environment and Ecology Bureau and pledged to take proactive actions towards the goal of carbon neutrality and sustainable development in Hong Kong through energy saving.
- (d) New Life Building participated in the Pilot Scheme on Food Waste Collection organised by Environmental Protection Department to support energy recovery from food waste through proper recycling.

(VI) Important events for Financial Year 2023/24

- (a) The Association participated in the "Unleashing Potential: Soar to New Heights" Achievement Exhibition and Celebration organized by the Education Bureau on 24 June 2023.
- (b) Siu Lam Long Stay Care Home providing 400 residential places commenced services in December 2023.
- (c) A territory-wide flag day was held on 13 January 2024.
- (d) Four recycling stores, including GREEN@On Ting, GREEN@Wu King, GREEN@Chuk Yuen and GREEN@Wang Tau Hom, commenced services in January and March 2024 respectively.
- (e) The "One Country, Two Systems" Seminar was organized on 15 February 2024.
- (f) The Association jointly launched the Ceremony cum Open Week of "Connecting Heart" Integrated Community Centres for Mental Wellness in March 2024.
- (g) The "dayday330 Well-being & Sports Carnival@Cyberport" event was held on 30 March 2024.

BUSINESS REVIEW (continued)

(VII) Future Likely Developments

- (a) The new 400-place long stay care home in the Siu Lam Integrated Rehabilitation Services Complex in Tuen Mun will commence gradual admission of residents until December 2024.
- (b) The Association will commence the procedure for conducting a technical feasibility study in 2024 for the proposed redevelopment of Jockey Club Farm House under Phase 2 of Special Scheme on Privately Owned Sites for Welfare Uses.
- (c) The renovation cum service restructuring enhancement project for Tin King Sheltered Workshop, supported by The Hong Kong Jockey Club Charities Trust, will be completed in June 2024. Similar enhancement projects for Kwai Shing Sheltered Workshop and Shek Pai Wan Integrated Work Centre will commence in late 2024.

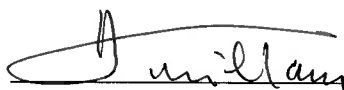
(VIII) Results and Reserves

Financial results for the year ended 31st March 2024 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 13 to 19.

	2023/24	2022/23
Operating Reserve Ratio (average operating reserve / expenditures):		
- Subvented services	44%	45%
- Non-subvented services	33%	56%
Current Ratio (current assets / current liabilities)	6.4	7.7

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 4 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, 16 AUG 2024

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 13 to 49, which comprise the consolidated statement of financial position as at 31st March 2024, 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 2024, 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 9, 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, 16 AUG 2024

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AT 31ST MARCH 2024**

	<u>Note</u>	<u>2024</u> <u>HK\$</u>	<u>2023</u> <u>HK\$</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	10,766,649	10,250,887
Equity investments at fair value through other comprehensive income	7	<u>4,195,875</u>	<u>5,155,290</u>
		14,962,524	15,406,177
CURRENT ASSETS			
Inventories - goods for sale		682,674	744,508
Accounts and other receivables	8	81,615,391	58,714,199
Time deposits with banks	9	227,147,794	185,466,604
Bank and cash balances		22,564,164	82,148,828
		332,010,023	327,074,139
CURRENT LIABILITIES			
Creditors and accruals	10	(51,994,211)	(42,664,405)
NET CURRENT ASSETS		<u>280,015,812</u>	<u>284,409,734</u>
NET ASSETS		294,978,336	299,815,911
NET ASSETS HELD ON BEHALF OF MINDSET PLACE - property management account			
	11	-	67,974
		<u>294,978,336</u>	<u>299,883,885</u>

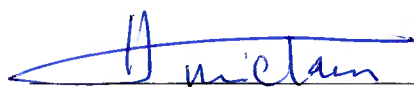
NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2024

(Continued)

<i>representing:</i>	<u>Note</u>	<u>2024</u> HK\$	<u>2023</u> HK\$
DESIGNATED FUNDS			
Reserved Fund	12	64,645,219	65,100,608
Investment Revaluation Reserve	13	(1,655,233)	(695,818)
Staff Welfare and Development Fund	14	6,338,169	6,265,373
Service Users' and Families' Welfare and Charitable Fund	15	1,605,892	1,605,892
Flag Day Fund	16	7,306,390	7,353,600
Dr. Wu Wai Yung Fund	17	3,011,187	3,104,331
Dr. Stella Liu Fund	18	1,990,917	1,936,133
		83,242,541	84,670,119
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	19	162,409,391	165,524,575
Provident Fund Reserve			
- Snapshot staff	19	1,994,197	1,788,913
- Non-snapshot staff	19	43,819,031	40,417,838
Social Welfare Subvention Surpluses			
Rent and Rates	20	20,957	(688,360)
Central Items Surpluses	20	343,125	343,125
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund	21	1,685,277	3,198,876
Social Welfare Development Fund	22	676,717	676,717
SWD Allocation-One-Off Subsidy	23	48,443	1,735,019
Small Enterprise Fund (SWD)	24	738,657	2,149,089
		211,735,795	215,145,792
		294,978,336	299,815,911
PROPERTY MANAGEMENT RESERVES HELD ON BEHALF OF MINDSET PLACE			
	25	-	67,974
		294,978,336	299,883,885

The financial statements on page 13 to 49 were approved and authorised for issue by the Executive Committee on **16 AUG 2024**


 Miss TAM Kam Lan, Annie, GBS, JP
Chairperson


 Dr. CHEUNG Hung Kin
Honorary Secretary

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2024

	<u>Note</u>	<u>2024</u> <u>HK\$</u>	<u>2023</u> <u>HK\$</u>
INCOME			
Social Welfare Lump Sum Grant	19	414,059,616	392,444,707
Social Welfare Designated Subvention			
Rent and rates, Government Rent	20	15,622,916	14,734,132
Furniture and Equipment Replenishment and			
Minor Works Block Grant	21	6,116,000	5,957,000
SWD Allocation One-Off Subsidy	23	169,070	22,504,927
Employment Support Service		2,194,284	2,276,320
Hospital Authority		2,064,000	1,757,598
Employees Retraining Fund		233,257	31,455
Community Chest		2,471,922	1,676,540
Other grants		25,689,016	30,543,651
Lotteries Fund		102,748,627	4,787,270
Hong Kong Jockey Club Charities Trust		39,580,219	42,210,962
Donations		2,019,488	865,372
Dues and Fees		31,580,323	29,558,308
Members' Subscriptions		2,850	2,550
Rental Income		528,617	431,494
Miscellaneous Receipts		8,770,011	3,185,489
Transfer to Deferred Income		-	952,430
OPERATING INCOME		653,850,216	553,920,205
OTHER INCOME			
Production income		69,937,940	64,861,097
Interest income on bank deposits		8,873,488	4,527,441
Dividend income on marketable investments		161,425	149,174
Amount refunded from Government	19	24,418	-
Property manager remuneration		4,630	12,041
		79,001,901	69,549,753
TOTAL INCOME CARRIED DOWN		732,852,117	623,469,958

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31ST MARCH 2024**

(continued)

	<u>Note</u>	<u>2024</u> HK\$	<u>2023</u> HK\$
INCOME			
TOTAL INCOME BROUGHT DOWN		732,852,117	623,469,958
EXPENDITURE			
Personnel Emoluments		(390,963,139)	(367,316,014)
Cost of Operation		(18,995,854)	(17,241,645)
Administration		(26,039,283)	(23,011,818)
Utilities		(11,698,575)	(10,209,433)
Stores and Equipment		(31,861,022)	(26,810,076)
Programme Expenses		(15,187,589)	(16,780,781)
Transport and Travelling		(1,947,742)	(1,720,698)
Designated Subvention Items			
Central Items	20	-	(353,440)
Rent and rates, Government Rent	20	(14,750,912)	(14,940,277)
Social Welfare Development Fund	22	-	(210,254)
SWD Allocation One-Off Subsidy	23	(202,046)	(11,498,822)
Employment Support Service		(2,194,284)	(2,276,320)
Furniture and Equipment Replenishment and			
Works Block Grant	21	(7,749,078)	(2,956,611)
Hospital Authority		(2,274,455)	(1,918,854)
Employees Retraining Fund		(233,257)	(31,455)
Community Chest		(2,471,922)	(1,676,540)
Grants Utilized		(10,721,913)	(10,728,514)
Lotteries Fund	26	(102,748,627)	(4,787,270)
Hong Kong Jockey Club Charities Trust		(39,580,219)	(42,210,962)
Production expenses		(52,588,594)	(51,512,266)
Loss on foreign exchange, net		(102,489)	(333,230)
Transfer to Deferred Income		(50,331)	-
Amount refund to Government	19, 20, 23	(4,368,181)	(21,156,707)
		<u>(736,729,512)</u>	<u>(629,681,987)</u>
DEFICIT BEFORE TAXATION		(3,877,395)	(6,212,029)
TAXATION	5	-	-
NET DEFICIT FOR THE YEAR		<u>(3,877,395)</u>	<u>(6,212,029)</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31ST MARCH 2024**

(continued)

	<u>Note</u>	<u>2024</u> <u>HK\$</u>	<u>2023</u> <u>HK\$</u>
NET DEFICIT FOR THE YEAR		(3,877,395)	(6,212,029)
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	13	<u>(960,180)</u>	<u>(417,313)</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		<u>(4,837,575)</u>	<u>(6,629,342)</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF RESERVE FUND FOR THE YEAR ENDED 31ST MARCH 2024

	<u>Note</u>	<u>2024</u> <u>HK\$</u>	<u>2023</u> <u>HK\$</u>
DEFICIT FOR THE YEAR BEFORE TRANSFER		(3,877,395)	(6,212,029)
TRANSFER FROM/(TO):			
Designated funds -			
Investment revaluation reserve	13	(765)	(916,459)
Staff Welfare and Development Fund	14	(72,796)	(839,430)
Flag Day Fund	16	47,210	1,492,612
Dr. Wu Wai Yung Fund	17	93,144	338,467
Dr. Stella Liu Fund	18	(54,784)	(28,814)
Subvention account -			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	19	3,115,184	(19,706,333)
Provident Fund Reserve			
-Snapshot staff	19	(205,284)	(436,651)
-Non-snapshot staff	19	(3,401,193)	(2,487,959)
Social Welfare Subvention Surpluses			
Rent and Rates	20	(709,317)	370,978
Central Items	20	-	3,185,420
Furniture & Equipment Replenishment and Minor			
Works Block Grant Reserve Fund	21	1,513,599	(3,052,657)
Social Welfare Development Fund	22	-	206,868
SWD Allocation-One-Off Subsidy	23	1,686,576	6,662,867
Small Enterprise Fund (SWD)	24	1,410,432	412,678
Net amount transfer		<u>3,422,006</u>	<u>(14,798,413)</u>
DEFICIT FOR THE YEAR AFTER TRANSFER	12	(455,389)	(21,010,442)
RESERVED FUND BROUGHT FORWARD		<u>65,100,608</u>	<u>86,111,050</u>
RESERVED FUND CARRIED FORWARD		<u><u>64,645,219</u></u>	<u><u>65,100,608</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES FOR THE YEAR ENDED 31ST MARCH 2024

	DESIGNATED FUND										
	Investment Revaluation Reserve Fund	Staff Welfare and Development Fund	Service Users' and Families' Welfare and Charitable Fund	Flag Day Fund	Dr. Wu Wai Yung Fund	Dr. Stella Lio Fund					
Balance at 31st March 2022	86,111,050	(1,194,964)	5,425,943	1,605,892	8,846,212	3,442,798	1,907,319	-	-	106,144,250	
Deficit for the year ended 31st March 2023	(6,212,029)	-	-	-	-	-	-	-	-	(6,212,029)	
Change in fair value of investments	-	(417,313)	-	-	-	-	-	-	-	(417,313)	
Total comprehensive expense for the year ended 31st March 2023	(6,212,029)	(417,313)	-	-	-	-	-	-	-	(6,629,342)	
Transfer	(14,798,413)	916,459	839,430	-	(1,492,612)	(338,467)	28,814	-	-	(14,844,789)	
Balance as at 31st March 2023	65,100,608	(95,818)	6,265,373	1,605,892	7,353,600	3,104,331	1,936,133	-	-	84,670,119	
Deficit for the year ended 31st March 2024	(3,877,395)	-	-	-	-	-	-	-	-	(3,877,395)	
Change in fair value of investments	-	(960,180)	-	-	-	-	-	-	-	(960,180)	
Total comprehensive expense for the year ended 31st March 2024	(3,877,395)	(960,180)	-	-	-	-	-	-	-	(4,837,575)	
Transfer	3,422,006	765	72,796	-	(47,210)	(93,144)	54,784	-	-	3,409,997	
Balance as at 31st March 2024	64,645,219	(1,655,233)	6,338,169	1,605,892	7,306,390	3,011,187	1,990,917	-	-	83,242,541	

	SUBVENTION ACCOUNT										
	Lump Sum Grant Reserve Fund	Provident Fund Reserve (Snapshot staff)	Provident Fund Reserve (Non-snapshot staff)	Social Welfare Subvention Surpluses - Rent & rates	Social Welfare Subvention Central Items surpluses	Equipment and Minor Works Block Grant Reserve Fund	Social Welfare Development Fund	SWD Allocation- One-off Subsidy	Small Enterprise Fund (SWD)	SUBVENTION ACCOUNT TOTAL	
Balance at 31st March 2022	14,581,824	1,352,262	37,929,879	(317,382)	3,528,345	146,219	883,585	8,397,886	2,561,767	200,301,003	
Deficit for the year ended 31st March 2023	-	-	-	-	-	-	-	-	-	-	
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income/(expense) for the year ended 31st March 2023	-	-	-	-	-	-	-	-	-	-	
Transfer	19,706,333	426,651	2,487,959	(370,978)	(3,185,420)	3,052,657	(206,868)	(6,662,667)	(412,678)	14,844,789	
Balance as at 31st March 2023	165,524,575	1,788,913	40,417,838	(688,360)	343,125	3,198,876	676,717	1,735,019	2,149,089	215,145,792	
Deficit for the year ended 31st March 2024	-	-	-	-	-	-	-	-	-	-	
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	
Total comprehensive expense for the year ended 31st March 2024	-	-	-	-	-	-	-	-	-	-	
Transfer	(3,115,184)	205,284	3,401,193	709,317	-	(1,513,599)	-	(1,686,576)	(1,410,432)	(3,409,997)	
Balance as at 31st March 2024	162,409,391	1,994,197	43,819,031	20,957	343,125	1,685,277	676,717	48,443	738,657	211,735,795	

	DESIGNATED FUND TOTAL	FUNDS AND RESERVES TOTAL
	106,144,250	306,445,253
	(6,212,029)	(6,212,029)
	(417,313)	(417,313)
	(6,629,342)	(6,629,342)
	(14,844,789)	-
	84,670,119	299,815,911
	(3,877,395)	(3,877,395)
	(960,180)	(960,180)
	(4,837,575)	(4,837,575)
	3,409,997	-
	294,978,336	294,978,336

SUBVENTION ACCOUNT

	Lump Sum Grant Reserve Fund	Provident Fund Reserve (Sampahot start)	Provident Fund Reserve (Non-sampahot start)	Social Welfare Subvention Surplus - Rent & Rates	Social Welfare Subvention Surplus - Central Items	Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund	Social Welfare Development Fund	SWD Allocation- One-Off Subsidy	Small Enterprise Fund (SWD)	SUBVENTION ACCOUNT TOTAL	DESIGNATED FUND TOTAL	FUNDS AND RESERVES TOTAL
Balance at 31st March 2022	145,818,242	1,352,262	37,929,879	(317,382)	3,528,545	146,219	883,585	8,397,886	2,561,767	200,301,003	106,144,250	306,445,253
Deficit for the year ended 31st March 2023	-	-	-	-	-	-	-	-	-	-	(6,212,029)	(6,212,029)
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	(417,313)	(417,313)
Total comprehensive income/(expense) for the year ended 31st March 2023	-	-	-	-	-	-	-	-	-	-	(6,629,342)	(6,629,342)
Balance as at 31st March 2023	145,818,242	1,352,262	37,929,879	(317,382)	3,528,545	146,219	883,585	8,397,886	2,561,767	193,671,663	105,529,575	299,815,911
Deficit for the year ended 31st March 2024	-	-	-	-	-	-	-	-	-	-	(4,837,575)	(4,837,575)
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	(960,180)	(960,180)
Total comprehensive expense for the year ended 31st March 2024	-	-	-	-	-	-	-	-	-	-	(4,837,575)	(4,837,575)
Balance as at 31st March 2024	145,818,242	1,352,262	37,929,879	(317,382)	3,528,545	146,219	883,585	8,397,886	2,561,767	188,834,088	100,691,980	294,978,336
Transfer	19,706,333	436,651	2,487,259	(370,978)	(3,185,420)	3,052,657	(206,868)	(6,662,867)	(412,678)	14,844,789	(14,844,789)	-
Balance as at 31st March 2023	165,524,575	1,788,913	40,417,138	(688,360)	343,125	3,198,876	676,717	1,735,019	2,149,089	215,145,792	84,670,119	209,815,911
Deficit for the year ended 31st March 2024	-	-	-	-	-	-	-	-	-	-	(3,877,395)	(3,877,395)
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	(960,180)	(960,180)
Total comprehensive expense for the year ended 31st March 2024	-	-	-	-	-	-	-	-	-	-	(4,837,575)	(4,837,575)
Balance as at 31st March 2024	162,409,391	1,994,197	43,819,031	20,957	343,125	1,698,277	676,717	48,443	738,657	211,735,795	83,242,541	294,978,336

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 31ST MARCH 2024**

	<u>2024</u> HK\$	<u>2023</u> HK\$
<i>Cash flows from operating activities</i>		
Deficit before taxation	(3,877,395)	(6,212,029)
Adjustments for:		
Interest income on bank deposits	(8,873,488)	(4,527,441)
Dividend income on marketable investments	(161,425)	(149,174)
Depreciation on property, plant and equipment	7,156,379	7,047,855
Loss on disposal of property, plant and equipment	<u>19,480</u>	<u>25,602</u>
Operating deficit before working capital changes	(5,736,449)	(3,815,187)
Decrease/(Increase) in:		
Inventories	61,834	125,174
Accounts and other receivables	(22,710,165)	(9,368,454)
(Decrease)/Increase in creditors and accruals	<u>9,542,399</u>	<u>(10,762,392)</u>
Net cash used in operating activities	(18,842,381)	(23,820,859)
<i>Cash flows from investing activities</i>		
Interest received on bank deposits	8,681,696	3,696,929
Dividends received	161,425	189,817
Proceeds on disposal of marketable investments	-	1,311,535
Purchase of marketable investments	-	(1,444,838)
Payment on purchase of property, plant and equipment	(7,904,214)	(4,870,333)
Net (increase)/decrease in bank deposits of more than 3 months to maturity from date of deposit	(55,242,365)	55,662,453
Net cash (used in)/generated from investing activities	(54,303,458)	54,545,563
Net (decrease)/increase in cash and cash equivalents	<u>(73,145,839)</u>	<u>30,724,704</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 31ST MARCH 2024**

(continued)

	<u>2024</u> HK\$	<u>2023</u> HK\$
Net (decrease)/increase in cash and cash equivalents	(73,145,839)	30,724,704
Cash and cash equivalents at beginning of year	<u>128,170,904</u>	<u>97,446,200</u>
Cash and cash equivalents at end of year	<u><u>55,025,065</u></u>	<u><u>128,170,904</u></u>
Analysis of balances of cash and cash equivalents		
Time deposits with bank	227,147,794	185,466,604
Bank and cash balances	<u>22,564,164</u>	<u>82,148,828</u>
	249,711,958	267,615,432
Time deposits of more than 3 months to maturity from date of deposit	<u>(194,686,893)</u>	<u>(139,444,528)</u>
	<u><u>55,025,065</u></u>	<u><u>128,170,904</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

1. General

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

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

2. Basis of preparation and accounting policies

(a) *Statement of compliance*

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

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

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

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

(c) *Revenue recognition*

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

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

2. Basis of preparation and accounting policies (continued)

(c) Revenue recognition (continued)

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

(d) Foreign currencies

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

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

(e) Impairment losses

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

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

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

2. Basis of preparation and accounting policies (continued)

(f) *Designated Funds*

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

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

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

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

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

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

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

(h) *Leases*

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

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

(i) *Financial instruments*

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

2. Basis of preparation and accounting policies (continued)

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

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

(k) *Inventories*

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

(l) *Account and other receivables*

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

(m) *Cash and cash equivalents*

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

(n) *Creditors and accruals*

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

(o) *Taxation*

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

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

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

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>2024</u>	<u>2023</u>
	HK\$	HK\$
Employment Support Scheme*	-	1,280,000
Auditors' remuneration	(331,500)	(277,200)
Staff costs	(390,963,139)	(367,316,014)
Depreciation on property, plant and equipment	(7,156,379)	(7,047,855)
Loss on disposal of property, plant and equipment	(19,480)	(25,602)
Rent under operating leases	<u>(17,057,960)</u>	<u>(16,844,420)</u>

* In 2022/2023, the Association's subsidiary company successfully applied for grant in sum of HK\$1,280,000 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 [2023 - 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 [2023 - Same].

5. Taxation

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

5. Taxation (continued)

No provision for Hong Kong profits tax has been made as the subsidiary company did not have assessable profits for the year [2023 - Same].

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

	<u>2024</u> HK\$	<u>2023</u> HK\$
Deficit before taxation	<u>(1,704,502)</u>	<u>(832,377)</u>
Applied tax rate	<u>16.50%</u>	<u>16.50%</u>
Tax on deficit before taxation	(281,000)	(137,000)
Tax effect of:		
Expenses that are not deductible for taxation purposes	-	8,000
Income that are not assessable for taxation purposes	(1,000)	(211,000)
Unrecognised temporary differences	129,000	108,000
Unrecognised tax loss	<u>153,000</u>	<u>232,000</u>
	<u>-</u>	<u>-</u>

At the reporting date, the subsidiary company has unused tax losses and deductible temporary differences of HK\$12,827,000 and HK\$7,655,000 [2023 -HK\$11,900,000 and HK\$6,873,000] respectively available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profits streams.

6. Property, plant and equipment

	<u>Land and Buildings</u> HK\$	<u>Construction and fitting out</u> HK\$	<u>Furniture and Equipment</u> HK\$	<u>Sub-total b/f</u>
<i>At cost</i>				
At 31st March 2023	2	19,897,275	40,648,149	60,545,426
Additions	-	2,290,000	3,479,648	5,769,648
Disposal/Remeasurement	-	(212,594)	(63,537)	(276,131)
At 31st March 2024	2	21,974,681	44,064,260	66,038,943
<i>Accumulated depreciation</i>				
At 31st March 2023	-	(18,356,465)	(35,902,762)	(54,259,227)
Charge for the year	-	(1,339,536)	(3,384,224)	(4,723,760)
Written back on disposal/ remeasurement	-	106,297	45,877	152,174
At 31st March 2024	-	(19,589,704)	(39,241,109)	(58,830,813)
<i>Carrying amount</i>				
At 31st March 2024	2	2,384,977	4,823,151	7,208,130
At 31st March 2023	2	1,540,810	4,745,387	6,286,199

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

6. Property, plant and equipment (continued)

	<u>Sub-total</u> <u>c/f</u>	<u>Motor</u> <u>Vehicle</u> <u>HK\$</u>	<u>Computer</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
<i>At cost</i>				
At 31st March 2023	60,545,426	4,732,446	15,027,186	80,305,058
Additions	5,769,648	283,204	1,851,362	7,904,214
Disposal/Remeasurement	(276,131)	-	(7,280)	(283,411)
At 31st March 2024	66,038,943	5,015,650	16,871,268	87,925,861
<i>Accumulated depreciation</i>				
At 31st March 2023	(54,259,227)	(3,520,156)	(12,274,788)	(70,054,171)
Charge for the year	(4,723,760)	(601,101)	(1,937,814)	(7,262,675)
Written back on disposal/ remeasurement	152,174	-	5,460	157,634
At 31st March 2024	(58,830,813)	(4,121,257)	(14,207,142)	(77,159,212)
<i>Carrying amount</i>				
At 31st March 2024	7,208,130	894,393	2,664,126	10,766,649
At 31st March 2023	6,286,199	1,212,290	2,752,398	10,250,887

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
5. Section AM of Lot No. 5 in Demarcation District No. 110
6. Section AN of Lot No. 5 in Demarcation District No. 110

7. Equity investments at fair value through other comprehensive income

	<u>2024</u> <u>HK\$</u>	<u>2023</u> <u>HK\$</u>
Hong Kong listed securities	<u>4,195,875</u>	<u>5,155,290</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

8. Account and other receivables

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Contract deposits	4,284,679	1,381,189
Accounts receivable	13,563,068	13,347,931
Rental deposits	2,379,605	1,999,462
Utility deposits	2,929,503	2,128,503
Sundry deposits	174,964	172,075
Prepayments	19,381,362	8,246,856
Interest receivable	1,134,924	943,132
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	4,291,311	5,508,840
On-site Training Programme	151,497	151,497
Hong Kong Jockey Club Charities Trust	25,998,347	16,505,305
Hong Kong Arts Development Fund	400,190	535,055
Koo Foundation	-	645,294
Janssen HK	282,357	97,351
Fu Tak Iam Foundation	534,601	1,918,187
Public Education	27,903	300
Innovation and Technology Fund	-	610,460
Community Chest	102,838	-
Contribution	1,265,720	
Education Bureau	3,853,501	3,815,403
Environment and Conservation Fund	857,521	602,863
Food Sharing Project	-	1,903
The Board of Management of the Chinese Permanent Cemeteries	500	101,593
	<u>81,615,391</u>	<u>58,714,199</u>

9. Time deposits with banks

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Funds from :		
Social Welfare Subvention Reserve Funds	198,192,023	159,509,706
Other Funds	28,955,771	25,956,898
Total time deposits with banks	<u>227,147,794</u>	<u>185,466,604</u>
Analysis:		
Time deposits of less than 3 months to maturity from date of deposit	32,460,901	46,022,076
Time deposits of more than 3 months to maturity from date of deposit	194,686,893	139,444,528
	<u>227,147,794</u>	<u>185,466,604</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2024***10. Creditors and accruals**

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Accounts payable	1,896,519	1,645,694
Accruals	6,947,858	6,058,476
Other payables	7,127,675	4,909,155
Receipt in advance (included temporary credit)	6,621,033	2,809,167
Deferred income	6,308,407	5,925,576
Deposits of clients (for keys and lockers)	148,964	139,394
Rental deposits	37,600	37,600
Other deposits received	1,617,820	1,647,850
Accounts with:		
Lotteries Fund (WI-FI Project)	-	1,937,108
SWD-Employment Support Service	1,804,560	1,085,545
Integrated Employment Assistance Programme for Self-reliance	48,052	48,052
Chow Tai Fook Charity Foundation	8,332,208	7,245,941
Kerry Group	750,000	-
Mental Health Initiatives Funding Scheme	322,576	366,834
Lee Hysan Foundation	1,102,656	740,120
Shih Wing Ching Foundation	531,176	143,652
Enhancing Employment of People with Disabilities through Small Enterprises Project	7,130	7,130
Employees Retraining Board Fund	441,734	420,484
Innovation and Technology Fund	849,405	-
Food Sharing Project	38,756	-
Community Chest	-	69,272
Contribution	-	903,896
Community Investment and Inclusion Fund	361,767	298
Community Green Station	6,624,125	5,911,788
Mindset project	74,190	611,373
	<u>51,994,211</u>	<u>42,664,405</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

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

The Group acted as property manager of MINDSET Place, and held the assets and liabilities of the property management account of MINDSET Place on behalf of the owner till 30th September 2023. On 30th September 2023, the property management account of Mindset Place was transferred to the new Property Manager, Property Care Management Services Limited.

	<u>2024</u> HK\$	<u>2023</u> HK\$
<i>Assets</i>		
Furniture and equipment ^(Remark)	-	-
Other receivables	-	1,234
Utility and other deposits	-	17,800
Cash balances	-	133,597
<i>Liabilities</i>		
Other payables and accrued charges	-	(12,711)
Amount due to New Life Support Enterprises Limited	-	(3,368)
Tenants' deposits	-	(68,578)
<i>Net assets</i>	<u>-</u>	<u>67,974</u>

Analysis of (assets) and liabilities transferred to MINDSET Place's own accounts (calculation based on 30th September 2023) :

	<u>HK\$</u>
Furniture and equipment	-
(Cost - HK\$5,270; Accumulated depreciation - HK\$5,270)	
Utility and other deposits	(17,800)
Cash balances	(134,610)
Tenants' deposits	68,578
	<u>(83,832)</u>
Amount due to New Life Support Enterprises Limited	53,029
Net assets transferred [Note 25]	<u>(30,803)</u>

12. Reserved Fund

	<u>2024</u> HK\$	<u>2023</u> HK\$
Balance at beginning of year	65,100,608	86,111,050
Movements during the year		
Deficit for the year	(3,877,395)	(6,212,029)
Transfer to various funds and reserves	3,422,006	(14,798,413)
Deficit for the year after transfer ^{Remark}	(455,389)	(21,010,442)
Balance at end of year	<u>64,645,219</u>	<u>65,100,608</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

12. Reserved Fund (continued)

Remark :	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Deficit for the year after transfer represents:		
Surplus from subvented service units [Note 27]	237,168	618,748
Deficit from Community Chest allocation	(690,854)	(300,327)
(Deficit)/Surplus from self financed units/projects	(110,901)	655,638
Deficit from subsidiary company	(1,704,502)	(832,377)
Deficit from business operation	(1,178,203)	(1,056,469)
Production surplus transferred to Lump Sum Grant Reserve	-	(21,063,776)
Surplus from Ching Kung House	192,783	180,614
Transfer from Small Enterprise Fund (SWD) [Note 24]	1,410,432	412,678
Interest income on time deposits	1,228,028	1,142,114
Dividend income	161,425	149,174
Loss on disposal of investment	(765)	(916,459)
	<u>(455,389)</u>	<u>(21,010,442)</u>

13. Investment Revaluation Reserve

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Balance at beginning of year	(695,818)	(1,194,964)
Change in fair value of investments at fair value through other comprehensive income	(960,180)	(417,313)
Amount released on disposal of investments at fair value through other comprehensive income transferred to Reserved Fund	765	916,459
Balance at end of year	<u>(1,655,233)</u>	<u>(695,818)</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.

14. Staff Welfare and Development Fund

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Balance at beginning of year	6,265,373	5,425,943
Movements during the year -Operating income	72,796	839,430
Amount transferred from Reserved Fund	72,796	839,430
Balance at end of year	<u>6,338,169</u>	<u>6,265,373</u>

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

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

	<u>2024</u> HK\$	<u>2023</u> HK\$
Balance at beginning and at end of year	<u>1,605,892</u>	<u>1,605,892</u>

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

16. Flag Day Fund

	<u>2024</u> HK\$	<u>2023</u> HK\$
Balance at beginning of year	7,353,600	8,846,212
Movements during the year		
Deficit from Jockey Club New Life Institute ^{Remark 1}	(851,484)	(1,372,631)
Happy ageing 330-Older Adult Project ^{Remark 2}	-	-
New Life 330 - second phase of audio track, mobile applications & webpage works ^{Remark 3}	(49,665)	(288,373)
Flag day income net of expenditure ^{Remark 5}	954,349	
New Life 330 project	(77,116)	194,692
330 members' actives	(23,294)	(26,300)
Amount transferred to Reserved Fund	<u>(47,210)</u>	<u>(1,492,612)</u>
Balance at end of year	<u>7,306,390</u>	<u>7,353,600</u>

Remark :

(1) Deficit from Jockey Club New Life Institute :

Operating income from Jockey Club New Life Institute (dues and fees, rental income and miscellaneous receipts)	3,377,093	1,830,816
Direct expenses		
Personnel emoluments	(1,554,161)	(1,193,733)
Administration and programme expenses	(2,070,035)	(1,451,396)
Rent and rates	(116,161)	(114,839)
Other expenses (utilities, stores and equipment, transportation and miscellaneous expenses)	<u>(488,220)</u>	<u>(443,479)</u>
	<u>(851,484)</u>	<u>(1,372,631)</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

16. Flag Day Fund (continued)

Remark :

	<u>2024</u> HK\$	<u>2023</u> HK\$
(2) Happy ageing 330-Older Adult Project :		
Usage of Net Proceeds of 2016/17 Flag Day :		
Balance at beginning of year	125	125
Utilization	-	-
Balance at end of year	<u>125</u>	<u>125</u>
(3) New Life 330 - second phase of audio track, mobile applications & webpage works :		
Usage of Net Proceeds of 2017/18 Flag Day		
Balance at beginning of year	527,657	816,030
Utilization	<u>(49,665)</u>	<u>(288,373)</u>
Balance at end of year	<u>477,992</u>	<u>527,657</u>
(4) Usage of Net Proceeds of 2018/19 Flag Day		
Balance at beginning of year and end of year	<u>1,473,629</u>	<u>1,473,629</u>
(5) Flag day income net of expenditure :		
Donation	1,041,512	-
Expenditure	<u>(87,163)</u>	<u>-</u>
Amount using for : operation cost of self-financed services; and promotion of mental health projects.	<u>954,349</u>	<u>-</u>

17. Dr. Wu Wai Yung Fund

	<u>2024</u> HK\$	<u>2023</u> HK\$
Balance at beginning of year	3,104,331	3,442,798
Movements during the year		
Operating income	-	-
Direct expenses	(22,660)	(20,520)
Interest income on time deposits	32,005	15,283
Loss on foreign exchange	(102,489)	(333,230)
Amount transferred to Reserved Fund	<u>(93,144)</u>	<u>(338,467)</u>
Balance at end of year	<u>3,011,187</u>	<u>3,104,331</u>

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

18. Dr. Stella Liu Fund

	<u>2024</u> HK\$	<u>2023</u> HK\$
Balance at beginning of year	1,936,133	1,907,319
Movements during the year		
Interest income on time deposits	54,784	28,814
Direct expenses	-	-
Amount transferred from Reserved Fund	<u>54,784</u>	<u>28,814</u>
Balance at end of year	<u>1,990,917</u>	<u>1,936,133</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

18. Dr. Stella Liu Fund (continued)

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

19. Lump Sum Grant Reserve and Provident Fund Reserve

	Lump Sum Grant Reserve	Provident Fund Reserve		
	HK\$	Snapshot staff	Non-snapshot staff	Total
		HK\$	HK\$	HK\$
Balance at 31st March 2022	145,818,242	1,352,262	37,929,879	39,282,141
Movements during the year				
Adjustment for 2022/23 opening balance	(6,254)	-	-	-
Grant received	366,208,678	5,838,512	20,397,517	26,236,029
Personnel emolument/OC/PF net fee/other income	(370,844,983)	(4,917,193)	(17,909,558)	(22,826,751)
Production surplus transferred from Reserved Fund	21,063,776	-	-	-
Interest income on time deposits	3,285,116	-	-	-
	19,706,333	921,319	2,487,959	3,409,278
Amount refunded to Government	-	(484,668)	-	(484,668)
Amount transferred from Reserved Fund	19,706,333	436,651	2,487,959	2,924,610
Balance at 31st March 2023	165,524,575	1,788,913	40,417,838	42,206,751
Movements during the year				
Grant received	387,566,046	4,607,565	21,886,005	26,493,570
Personnel emolument/OC/PF net fee/other income	(395,965,409)	(4,025,360)	(18,484,812)	(22,510,172)
Interest income on time deposits	7,434,734	-	-	-
	(964,629)	582,205	3,401,193	3,983,398
Amount refunded from Government	24,418	-	-	-
Amount refunded to Government	(2,174,973)	(376,921)	-	(376,921)
Amount transferred (to)/from Reserved Fund	(3,115,184)	205,284	3,401,193	3,606,477
Balance at 31st March 2024	162,409,391	1,994,197	43,819,031	45,813,228

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

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

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

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

20. Social Welfare Subvention Surpluses

	<u>Rent and Rates</u> HK\$	<u>Central Items</u> HK\$	<u>Total</u> HK\$
Balance at 31st March 2022	(317,382)	3,528,545	3,211,163
Movements during the year			
Adjustment for 2022/23 opening balance	6,254	-	6,254
Grant received	14,734,132	-	14,734,132
Amount repaid to Government	(171,087)	(2,831,980)	(3,003,067)
Rent and rates paid	(14,940,277)	-	(14,940,277)
Central items paid	-	(353,440)	(353,440)
Amount transferred from Reserved Fund	(370,978)	(3,185,420)	(3,556,398)
Balance at 31st March 2023	(688,360)	343,125	(345,235)
Movements during the year			
Grant received	15,622,916	-	15,622,916
Amount repaid to Government	(162,687)	-	(162,687)
Rent and rates paid	(14,750,912)	-	(14,750,912)
Central items paid	-	-	-
Amount transferred to Reserved Fund	709,317	-	709,317
Balance at 31st March 2024	20,957	343,125	364,082

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

	<u>2024</u> HK\$	<u>2023</u> HK\$
Balance at beginning of year	3,198,876	146,219
Movements during the year		
Grant received	6,116,000	5,957,000
Interest income on time deposits	119,479	52,268
Payment for:		
Minor works projects	(6,640,899)	(2,736,665)
Furniture and equipment	(1,055,063)	(189,292)
Vehicle Overhauling	(53,116)	(30,654)
Amount transferred (to)/from Reserved Fund	(1,513,599)	3,052,657
Balance at end of year	1,685,277	3,198,876

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.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

22. Social Welfare Development Fund

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

	<u>2024</u> HK\$	<u>2023</u> HK\$
SWDF Phase 3		
Balance at beginning of year	676,717	883,585
Movements during the year		
Grant received	-	-
Interest on time deposits	-	3,386
Payment for		
1) Expenditure for projects under scope A	-	(210,254)
2) Expenditure for projects under scope B	-	-
3) Expenditure for projects under scope C	-	-
4) Expenditure for projects under administrative support	-	-
Amount transferred to Reserved Fund	-	(206,868)
Balance at end of year	<u>676,717</u>	<u>676,717</u>

23. SWD Allocation-One-Off Subsidy

	<u>2024</u> HK\$	<u>2023</u> HK\$
Balance at beginning of year	1,735,019	8,397,886
Movements during the year		
Grant income	169,070	5,987,027
Fund adjustments	-	16,517,900
	169,070	22,504,927
Amount repaid to Government	(1,653,600)	(17,668,972)
Direct expenses	(202,046)	(11,498,822)
Amount transferred to Reserved Fund	<u>(1,686,576)</u>	<u>(6,662,867)</u>
Balance at end of year	<u>48,443</u>	<u>1,735,019</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 2024

24. Small Enterprise Fund (SWD)

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

<u>Projects</u>	<u>Balance brought forward HK\$</u>	<u>Transferred to Accumulated Funds HK\$</u>	<u>Balance carried forward HK\$</u>
2024			
Café 330 - CMC	28,415	(14,450)	13,965
Café 330 - CU	24,050	(22,050)	2,000
Café 330 - HKU	24,050	(22,050)	2,000
Café 330 - KWH	-	(573,442)	(573,442)
Café 330 - PWH	25,520	(23,520)	2,000
Catering 330	-	-	-
Delight Kitchen	14,838	(13,963)	875
Drinks 330	155,931	(49,905)	106,026
INNO 330	530,675	(96,887)	433,788
SO 330	1,345,610	(594,165)	751,445
	<u>2,149,089</u>	<u>(1,410,432)</u>	<u>738,657</u>
2023			
Café 330 - CMC	42,865	(14,450)	28,415
Café 330 - CU	46,100	(22,050)	24,050
Café 330 - HKU	46,100	(22,050)	24,050
Café 330 - PWH	49,040	(23,520)	25,520
Delight Kitchen	28,800	(13,962)	14,838
Drinks 330	205,836	(49,905)	155,931
INNO 330	283,483	247,192	530,675
SO 330	1,859,543	(513,933)	1,345,610
	<u>2,561,767</u>	<u>(412,678)</u>	<u>2,149,089</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 2024

25. Property management reserve held on behalf of MINDSET Place

	period 01.04.2023 to 30.09.2023 HK\$	year ended 31.03.2023 HK\$
<i>Income</i>		
Building management fees	98,055	200,568
Interest income	1,073	243
	99,128	200,811
<i>Expenditure</i>		
Administration expenses		
Insurance	(16,804)	(17,679)
Personnel emolument	(31,195)	(62,118)
Staff wellness expenses	(54)	(606)
Administration expenses	(4,938)	(14,276)
Utilities	(14,994)	(25,009)
Repairs and maintenance	(68,314)	(133,175)
	(136,299)	(252,863)
<i>Deficit for the period</i>	(37,171)	(52,052)
<i>Accumulated surplus brought forward</i>	67,974	120,026
	30,803	67,974
<i>Transferred to the Mindset Place's own accounts upon the handover of the management [Note 11]</i>	(30,803)	-
<i>Accumulated surplus carried forward</i>	-	67,974

26. Lotteries Fund

	<u>2024</u> HK\$	<u>2023</u> HK\$
a) <i>Procurement of Household / Furniture and Equipment:</i>		
Siu Lam Long Stay Care Home	1,272,850	25,180
	1,272,850	25,180
b) <i>Fitting-out Works:</i>		
Tuen Mun Long Stay Care Home	202,730	-
Siu Lam Long Stay Care Home	94,305,124	1,079,238
Supported Centre for Persons with Autism	2,915,418	1,319,084
Mindset Place	-	(13,450)
	97,423,272	2,384,872

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2024***26. Lotteries Fund (continued)**

	<u>2024</u> HK\$	<u>2023</u> HK\$
c) Undertake Fire Safety/Building Safety Rectification Measures:		
Sun Chui Halfway House	2,800	107,530
Shan King Halfway House	3,950	-
Shek Lei Halfway House	12,500	198,216
Lei Tung Halfway House	4,200	60,496
New Life Jubilee House	-	298,377
Tuen Mun Long Stay Care Home	-	421,859
Mindset Place	21,432	-
	<u>44,882</u>	<u>1,086,478</u>
d) Pilot Projects	<u>4,007,623</u>	<u>-</u>
	<u><u>102,748,627</u></u>	<u><u>3,496,530</u></u>

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

At 31st March 2024, the outstanding commitments in respect of the Lotteries Fund Block Grant and the Lotteries Fund Project Grant are as follows:

	<u>2024</u> HK\$	<u>2023</u> HK\$
Contracted for but not provided in the financial statement in respect of:		
Lotteries Fund Block Grant	-	-
Lotteries Fund Project Grant	<u>4,456,276</u>	<u>4,445,876</u>
	<u><u>4,456,276</u></u>	<u><u>4,445,876</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

27. Transfer of surpluses social welfare subvention

surplus and deficit for the year are brought forward to the Income and Expenditure Account as follows:

SURPLUS / (DEFICIT) FROM SUBVENTED SERVICE UNITS

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Central Administration		
Central Administration Expenses	214,504	275,719
Management Office at New Life Building	(12,143)	102,020
Total	<u>202,361</u>	<u>377,739</u>
Workshops and Hostels		
Sun Chui Halfway House	(1,495)	4,165
Pok Hong Halfway House	(653)	53
Tin Yuet Halfway House	(934)	6,598
Shan King Halfway House	(822)	(24)
Shek Lei Halfway House	(841)	547
Chuk Yuen Halfway House	(719)	1,552
Lei Tung Halfway House	(847)	378
New Life Building Halfway House (I)	(849)	(3,474)
New Life Building Halfway House (II)	(833)	(19)
New Life Building Halfway House (III)	(1,236)	3,062
Jockey Club Farm House	(1,114)	(31)
Agency-based Peer Support Service in Community Psychiatric Service Units	(91)	2,398
New Life Jubilee Hostel	(1,968)	(42)
Tin King Hostel	1,021	237
Joyous Place	(998)	190
Tuen Mun Long Stay Care Home	(7,136)	(2,746)
New Life Building Long Stay Care Home	(6,288)	81,761
Siu Lam Long Stay Care Home	(2,046)	-
Mobile Van for Publicity Service on Mental Wellness	(497)	(12)
The Wellness Centre - Sham Shui Po	20,060	2,117
The Wellness Centre - Tuen Mun	14,547	13,348
The Wellness Centre - Shatin	(41,988)	(12,133)
The Wellness Centre - Tin Shui Wai	(5,094)	650
The Wellness Centre - Kwai Chung	7,989	10,541
The Wellness Centre - Yau Tsim Mong	(9,466)	4,744
The Wellness Centre - Islands	(2,900)	4,630
Balance of Workshops and Hostels carried down	<u>(45,198)</u>	<u>118,490</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

27. Transfer of surpluses social welfare subvention (continued)

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

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Workshops and Hostels		
Balance of Workshops and Hostels brought down	(45,198)	118,490
Kwai Shing Sheltered Workshop	1,615	14,940
Shek Pai Wan Integrated Work Centre	(16,730)	33,478
Tin King Sheltered Workshop	30,445	65,665
Chuk Yuen Integrated Work Centre	17,111	31,740
New Life Building Sheltered Workshop	42,910	3,147
New Life Farm Sheltered Workshop	11,683	(34,865)
Agency-Based Vocational Support	(157)	(5)
Work Extension Programme	(255)	(8)
Supported Centre for Persons with Autism	(1,180)	(26)
Supported Employment Service	(5,274)	8,458
On the Job Training Programme	(163)	(5)
Total	34,807	241,009
Grand total	237,168	618,748

28. Categories of financial assets and financial liabilities

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
<i>Financial assets:</i>		
Non-current assets -		
Equity investments at fair value through other comprehensive income	4,195,875	5,155,290
Current assets - at amortized cost:		
Receivables [excluding prepayments]	62,234,029	50,467,343
Bank deposits and cash	249,711,958	267,615,432
	316,141,862	323,238,065
<i>Financial liabilities:</i>		
Current liabilities - at amortized cost:		
Payables [excluding receipt in advance]	45,373,178	39,855,238

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2024***29. Commitments under operating leases**

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

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Not later than one year	7,282,104	9,386,869
Later than one year but not later than five years	<u>2,266,513</u>	<u>9,181,985</u>
	<u>9,548,617</u>	<u>18,568,854</u>

30. Related party transactions

Except for the transactions and balances disclosed elsewhere in these financial statements, the Group did not undertake any transactions with related parties during the year [2023 - Same].

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

31. Statement of Financial Position of the Association at 31st March 2024

	<u>Note</u>	<u>2024</u> HK\$	<u>2023</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	31 (a)	7,417,647	7,889,480
Investment in subsidiary company	31 (b)	17,855,702	15,191,554
Equity investments at fair value through other comprehensive income	7	4,195,875	5,155,290
		29,469,224	28,236,324
CURRENT ASSETS			
Inventories - goods for sale		579,009	564,257
Accounts and other receivables	31 (c)	79,223,317	56,798,883
Time deposits with banks	9	227,147,794	185,466,604
Bank and cash balances		21,355,034	80,607,728
		328,305,154	323,437,472
CURRENT LIABILITIES			
Creditors and accruals	31 (d)	(49,713,708)	(40,480,053)
NET CURRENT ASSETS		278,591,446	282,957,419
NET ASSETS		308,060,670	311,193,743

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2024***31. Statement of Financial Position of the Association at 31st March 2024 (continued)**

	<u>Note</u>	<u>2024</u> HK\$	<u>2023</u> HK\$
<i>representing:</i>			
DESIGNATED FUNDS			
Reserved Fund	31 (e)	78,466,210	78,627,529
Investment Revaluation Reserve	13	(1,655,233)	(695,818)
Staff Welfare and Development Fund	14	6,338,169	6,265,373
Service Users' and Families' Welfare and Charitable Fund	15	1,605,892	1,605,892
Flag Day Fund	16	7,306,390	7,353,600
Dr. Wu Wai Yung Fund	17	3,011,187	3,104,331
Dr. Stella Liu Fund	18	1,990,917	1,936,133
		97,063,532	98,197,040
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	19	162,409,391	165,524,575
Provident Fund Reserve			
- Snapshot staff	19	1,994,197	1,788,913
- Non-snapshot staff	19	43,819,031	40,417,838
Social Welfare Subvention Surpluses			
Rent and Rates	20	20,957	(688,360)
Central Items Surpluses	20	343,125	343,125
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund	21	1,685,277	3,198,876
Social Welfare Development Fund	22	676,717	676,717
SWD Allocation-One-Off Subsidy	23	48,443	1,735,019
		210,997,138	212,996,703
		308,060,670	311,193,743

Approved and authorised for issue by the Executive Committee on **16 AUG 2024**

Miss TAM Kam Lan, Annie, GBS, JP
Chairperson

Dr. CHEUNG Hung Kin
Honorary Secretary

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

31. Statement of Financial Position of the Association at 31st March 2024 (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 2023	2	32,548,552	4,477,037	15,027,186	52,052,777
Additions	-	2,654,610	283,204	1,851,362	4,789,176
Disposal	-	(48,537)	-	(7,280)	(55,817)
At 31st March 2024	2	35,154,625	4,760,241	16,871,268	56,786,136
<i>Accumulated depreciation</i>					
At 31st March 2023	-	(28,623,762)	(3,264,747)	(12,274,788)	(44,163,297)
Charge for the year	-	(2,706,364)	(601,101)	(1,937,814)	(5,245,279)
Written back on disposal	-	34,627	-	5,460	40,087
At 31st March 2024	-	(31,295,499)	(3,865,848)	(14,207,142)	(49,368,489)
<i>Carrying amount</i>					
At 31st March 2024	2	3,859,126	894,393	2,664,126	7,417,647
At 31st March 2023	2	3,924,790	1,212,290	2,752,398	7,889,480

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
5. Section AM of Lot No. 5 in Demarcation District No. 110
6. Section AN of Lot No. 5 in Demarcation District No. 110

(b) Investment in subsidiary company

	<u>2024</u> HK\$	<u>2023</u> HK\$
Unlisted shares, at cost	15,000,020	15,000,020
Amount due from subsidiary company	2,855,682	191,534
	17,855,702	15,191,554

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 2024

31. Statement of Financial Position of the Association at 31st March 2024 (continued)

(c) Account and other receivables

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Contract deposits	4,284,679	1,381,189
Accounts receivable	12,875,850	12,818,278
Rental deposits	2,379,605	1,999,462
Utility deposits	1,940,101	1,199,701
Sundry deposits	174,964	172,075
Prepayments	18,665,908	7,789,995
Interest receivable	1,134,924	943,132
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	4,291,311	5,508,840
On-site Training Programme	151,497	151,497
Hong Kong Jockey Club Charities Trust	25,998,347	16,505,305
HK Arts development fund	400,190	535,055
Koo Foundation	-	645,294
Janssen HK	282,357	97,351
Fu Tak Iam Foundation	534,601	1,918,187
Public Education	27,903	300
Innovation and Technology Fund	-	610,460
Community Chest	102,838	-
Contribution	1,265,720	-
Education Bureau	3,853,501	3,815,403
Environment and Conservation Fund	857,521	602,863
Food Sharing Project	-	1,903
The Board of Management		
of the Chinese Permanent Cemeteries	500	101,593
	<u>79,223,317</u>	<u>56,798,883</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

31. Statement of Financial Position of the Association at 31st March 2024 (continued)

(d) Creditors and accruals

	<u>2024</u>	<u>2023</u>
	HK\$	HK\$
Accounts payable	1,209,635	1,043,129
Accruals	5,490,757	4,587,342
Other payables	7,127,675	4,909,155
Receipt in advance (included temporary credit)	6,484,515	2,698,514
Deferred income	6,308,407	5,925,576
Deposits of clients (for keys and lockers)	148,964	139,394
Rental deposits	37,600	37,600
Other deposits received	1,617,820	1,647,850
Accounts with:		
Lotteries Fund (WI-FI Project)	-	1,937,108
Employment Support Service	1,804,560	1,085,545
Integrated Employment Assistance Programme for Self-reliance	48,052	48,052
Chow Tai Fook Charity Foundation	8,332,208	7,245,941
Kerry Group	750,000	-
Mental Health Initiatives Funding Scheme	322,576	366,834
Lee Hysan Foundation	1,102,656	740,120
Shih Wing Ching Foundation	531,176	143,652
Enhancing Employment of People with Disabilities through Small Enterprises Project	7,130	7,130
Employees Retraining Board Fund	441,734	420,484
Innovation and Technology Fund	849,405	-
Food Sharing Project	38,756	-
Community Chest	-	69,272
Contribution	-	903,896
Community Investment and Inclusion Fund	361,767	298
Community Green Station	6,624,125	5,911,788
Mindset project	74,190	611,373
	<u>49,713,708</u>	<u>40,480,053</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2024

31. Statement of Financial Position of the Association at 31st March 2024 (continued)

(e) Reserved Fund

	<u>2024</u> HK\$	<u>2023</u> HK\$
Balance at beginning of year	78,627,529	99,218,272
Movements during the year		
Deficit for the year	(2,172,893)	(5,379,652)
Transfer to various funds and reserves*	2,011,574	(15,211,091)
Deficit for the year after transfer ^{Remark}	<u>(161,319)</u>	<u>(20,590,743)</u>
Balance at end of year	<u>78,466,210</u>	<u>78,627,529</u>
Remark :		
Deficit for the year after transfer represents:		
Surplus from subvented service units [Note 27]	237,168	618,748
Deficit from Community Chest allocation	(690,854)	(300,327)
(Deficit)/Surplus from self financed units/projects	(110,901)	655,638
Deficit from business operations	(1,178,203)	(1,056,469)
Production surplus transferred to		
Lump Sum Grant Reserve	-	(21,063,776)
Surplus from Ching Kung House	192,783	180,614
Interest income on bank deposits	1,228,028	1,142,114
Dividend income	161,425	149,174
Loss on disposal of investment	(765)	(916,459)
	<u>(161,319)</u>	<u>(20,590,743)</u>
* Transfer amount per consolidated financial statements	(3,422,006)	14,798,413
Exclusion of transfer amount from:		
Small Enterprise Fund (SWD) for operation of subsidiary company	<u>1,410,432</u>	<u>412,678</u>
	<u>(2,011,574)</u>	<u>15,211,091</u>