

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 2023

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 2023

CONTENTS	Pages
EXECUTIVE COMMITTEE MEMBERS	1
REPORT OF EXECUTIVE COMMITTEE	2 - 9
INDEPENDENT AUDITOR'S REPORT	10 - 12
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	13 - 14
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	15 - 17
CONSOLIDATED STATEMENT OF RESERVE FUND	18
CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES	19
CONSOLIDATED STATEMENT OF CASH FLOWS	20 - 21
NOTES TO THE FINANCIAL STATEMENTS	22 - 50

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

(appointed on 16th September 2022)

Mr. KONG Yook Seng

(resigned on 16th September 2022)

Members

Mrs. Helen CHAN, SBS

Dr. LEE Chi Chiu

Dr. LO Wai Fan, Alison

Mr. WONG Kwong Yeung, Simon, MH

(appointed on 16th September 2022)

Ms. WOO Yuen Ling

Dr. YEUNG Kwok Wah, Allen

Mr. YOUNG Wai Tsing, Stephen

Mr. YU Wai Wai, JP

Dr. YUEN Cheung Hang, Henry

(resigned on 16th September 2022)

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 2023.

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 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 2022/23, Internal Audit Department completed the three reviews on "Social Enterprise - Policies and Procedure", "Lease Contract Management", and "Staff Appraisal and Disciplinary Action". 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 2022/23 financial report. The Association's total income for financial year 2022/23 was HK\$623 million. The two major sources of income were Lump Sum Grant from the Social Welfare Department for delivering recurrent welfare services (69.29%) and the fee income received for providing welfare services (15.14%). Grants from The Hong Kong Jockey Club Charities Trust, Lotteries Fund, and The Community Chest of Hong Kong made up about 6.77%, 1.72% and 0.27% of the total income respectively. Donation, investment income and other income accounted for the remaining 6.81% 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 2022/23 was HK\$630 million. Cost of service operation and service support represented 83.13% and 12.72% of the total expenditure respectively. Management and administration cost constituted about 4.15% of the annual expenditure.

In financial year 2022/23, there was an overall deficit of HK\$6.21 million. As of 31 March 2023, 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.

In financial year 2022/23, the COVID-19 pandemic still affected many facets of the Association's operations. While the pandemic caused unpredictable changes and new challenges across organizations, it 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. This also facilitated accelerated adoption of technology solutions and other innovative means to deliver and manage our services.

(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 2022/23, 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 2022/23, the Association maintains a membership of 178.

(b) Service Recipients

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

(c) Staff

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

(d) External Partners

External partners of the Group include:

- i) Government 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 5th year of operation. In 2022/23, over 706 tons of recyclables were collected from 195 residential estates and partner organisations. The cumulative recycling volume had reached 2,203 tons since 2018. Green@Kwai Tsing was also awarded "Friends of EcoPark" by EcoPark for the 3rd consecutive years since 2021; and also awarded "Recycling Industry - OSH Progressive Enterprise" by Occupational Safety and Health Council. With the stabilization of the pandemic situation, Green@Kwai Tsing organised 14 featured events and 167 workshops attracting a total of 7,806 attendees.
- (b) New Life Building was awarded the "Wastewi\$e Certificate – Excellent Level" by Environmental Campaign Committee in 2022/23. The award, together with the "Energywi\$e Certificate – Good Level" and "Hong Kong Green Organisation" certification, demonstrated the improvement in environmental performance and green achievements of the Association.
- (c) The Association signed the "Energy Saving Charter 2022" 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 2022/23

- (a) Despite the continuous impact brought by the COVID-19 pandemic to 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 pandemic, 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.
- (b) The Hong Kong Jockey Club Charities Trust granted a funding to renovate Tin King Sheltered Workshop with the development of an e-platform to meet the changing needs of its service users.
- (c) The Hong Kong Jockey Club Charities Trust granted a funding to support the adoption of different technology solutions in the new long stay care home at Siu Lam Integrated Rehabilitation Services Complex.
- (d) The Association organized the Mental Health Symposium "Change and Challenge: From Recovery to Holistic Well-being".

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 operation in late 2023.
- (b) The Association will commence the procedure for conducting a technical feasibility study in 2023 for the proposed redevelopment of Jockey Club Farm House under Phase 2 of Special Scheme on Privately Owned Sites for Welfare Uses.

(VIII) Results and Reserves

Financial results for the year ended 31st March 2023 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.

	2022/23	2021/22
Operating Reserve Ratio (average operating reserve / expenditures):		
- Subvented services	45%	47%
- Non-subvented services	56%	58%
Current Ratio (current assets / current liabilities)	7.7	6.4

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

On behalf of the Executive Committee



Miss TAM Kam Lan, Annie, GBS, JP
Chairperson

Hong Kong, 11 AUG 2023

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 13 to 50, which comprise the consolidated statement of financial position as at 31st March 2023, 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 2023, 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 ["HSAs"] 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 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, 11 AUG 2023

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2023

	<u>Note</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	6	10,250,887	12,454,011
Equity investments at fair value through other comprehensive income	7	<u>5,155,290</u>	<u>5,439,300</u>
		15,406,177	17,893,311
CURRENT ASSETS			
Inventories - goods for sale		744,508	869,682
Accounts and other receivables	8	58,714,199	48,555,876
Time deposits with banks	9	185,466,604	227,106,981
Bank and cash balances		82,148,828	65,446,200
		327,074,139	341,978,739
CURRENT LIABILITIES			
Creditors and accruals	10	(42,664,405)	(53,426,797)
NET CURRENT ASSETS		<u>284,409,734</u>	<u>288,551,942</u>
NET ASSETS		299,815,911	306,445,253
NET ASSETS HELD ON BEHALF OF MINDSET PLACE - property management account	11	<u>67,974</u>	<u>120,026</u>
		<u>299,883,885</u>	<u>306,565,279</u>

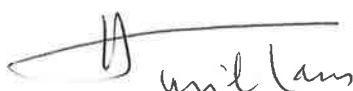
NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2023

(Continued)

<i>representing:</i>	<u>Note</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
DESIGNATED FUNDS			
Reserved Fund	12	65,100,608	86,111,050
Investment Revaluation Reserve	13	(695,818)	(1,194,964)
Staff Welfare and Development Fund	14	6,265,373	5,425,943
Service Users' and Families' Welfare and Charitable Fund	15	1,605,892	1,605,892
Flag Day Fund	16	7,353,600	8,846,212
Dr. Wu Wai Yung Fund	17	3,104,331	3,442,798
Dr. Stella Liu Fund	18	1,936,133	1,907,319
		84,670,119	106,144,250
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	19	165,524,575	145,818,242
Provident Fund Reserve			
- Snapshot staff	19	1,788,913	1,352,262
- Non-snapshot staff	19	40,417,838	37,929,879
Social Welfare Subvention Surpluses			
Rent and Rates	20	(688,360)	(317,382)
Central Items Surpluses	20	343,125	3,528,545
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund	21	3,198,876	146,219
Social Welfare Development Fund	22	676,717	883,585
SWD Allocation-One-Off Subsidy	23	1,735,019	8,397,886
Small Enterprise Fund (SWD)	24	2,149,089	2,561,767
		215,145,792	200,301,003
		299,815,911	306,445,253
PROPERTY MANAGEMENT RESERVES HELD ON BEHALF OF MINDSET PLACE	25	67,974	120,026
		299,883,885	306,565,279

The financial statements on page 13 to 50 were approved and authorised for issue by the Executive Committee on **11 AUG 2023**



Miss TAM Kam Lan, Annie, GBS, JP
Chairperson



Mr. CHAU Gee Hung, Henry
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31ST MARCH 2023**

	<u>Note</u>	<u>2023</u> <u>HK\$</u>	<u>2022</u> <u>HK\$</u>
INCOME			
Social Welfare Lump Sum Grant	19	392,444,707	386,621,793
Social Welfare Designated Subvention			
Central Items	20	-	3,120,000
Rent and rates, Government Rent	20	14,734,132	15,381,757
Furniture and Equipment Replenishment and			
Minor Works Block Grant	21	5,957,000	6,003,000
Social Welfare Development Fund	22	-	599,275
SWD Allocation One-Off Subsidy	23	22,504,927	11,937,925
Employment Support Service		2,276,320	2,640,230
Hospital Authority		1,757,598	1,794,996
Employees Retraining Fund		31,455	41,566
Community Chest		1,676,540	1,410,730
Other grants		30,543,651	26,809,703
Lotteries Fund		4,787,270	5,896,128
Hong Kong Jockey Club Charities Trust		42,210,962	45,573,994
Donations		865,372	1,757,761
Dues and Fees		29,558,308	29,717,291
Members' Subscriptions		2,550	3,800
Rental Income		431,494	527,678
Miscellaneous Receipts		3,185,489	2,448,960
Grants transferred to Deferred Income		952,430	1,078,353
OPERATING INCOME		553,920,205	543,364,940
OTHER INCOME			
Production income		64,861,097	65,004,385
Interest income on bank deposits		4,527,441	604,448
Dividend income on marketable investments		149,174	226,529
Property manager remuneration		12,041	11,449
		69,549,753	65,846,811
TOTAL INCOME CARRIED DOWN		623,469,958	609,211,751

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2023

(continued)

	<u>Note</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
INCOME			
TOTAL INCOME BROUGHT DOWN		623,469,958	609,211,751
EXPENDITURE			
Personnel Emoluments		(367,316,014)	(364,535,297)
Cost of Operation		(17,241,645)	(17,877,684)
Administration		(23,011,818)	(26,100,757)
Utilities		(10,209,433)	(9,259,954)
Stores and Equipment		(26,810,076)	(25,916,748)
Programme Expenses		(16,780,781)	(9,835,374)
Transport and Travelling		(1,720,698)	(1,681,076)
Designated Subvention Items			
Central Items	20	(353,440)	(1,930)
Rent and rates, Government Rent	20	(14,940,277)	(14,141,447)
Social Welfare Development Fund	22	(210,254)	(704,682)
SWD Allocation One-Off Subsidy	23	(11,498,822)	(5,353,022)
Employment Support Service		(2,276,320)	(2,640,230)
Furniture and Equipment Replenishment and Works Block Grant	21	(2,956,611)	(5,921,726)
Hospital Authority		(1,918,854)	(1,939,425)
Employees Retraining Fund		(31,455)	(41,566)
Community Chest		(1,676,540)	(1,410,730)
Grants Utilized		(10,728,514)	(9,248,458)
Lotteries Fund	26, 31	(4,787,270)	(5,896,128)
Hong Kong Jockey Club Charities Trust		(42,210,962)	(45,573,994)
Production expenses		(51,512,266)	(50,737,819)
Loss on foreign exchange, net		(333,230)	(3,979)
Amount refund to Government	19, 20, 23	(21,156,707)	(1,677,477)
		<u>(629,681,987)</u>	<u>(600,499,503)</u>
(DEFICIT)/SURPLUS BEFORE TAXATION		(6,212,029)	8,712,248
TAXATION	5	-	-
NET (DEFICIT)/SURPLUS FOR THE YEAR		<u>(6,212,029)</u>	<u>8,712,248</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2023

(continued)

	<u>Note</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
NET (DEFICIT)/SURPLUS FOR THE YEAR		(6,212,029)	8,712,248
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>(417,313)</u>	<u>(716,858)</u>
TOTAL COMPREHENSIVE EXPENSE/INCOME FOR THE YEAR		<u>(6,629,342)</u>	<u>7,995,390</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF RESERVE FUND FOR THE YEAR ENDED 31ST MARCH 2023

	<u>Note</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TRANSFER		(6,212,029)	8,712,248
TRANSFER FROM/(TO):			
Designated funds -			
Investment revaluation reserve	13	(916,459)	(969,209)
Staff Welfare and Development Fund	14	(839,430)	(971,254)
Flag Day Fund	16	1,492,612	336,230
Dr. Wu Wai Yung Fund	17	338,467	109,734
Dr. Stella Liu Fund	18	(28,814)	53,480
Subvention account -			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	19	(19,706,333)	6,728,623
Provident Fund Reserve			
-Snapshot staff	19	(436,651)	162,911
-Non-snapshot staff	19	(2,487,959)	(2,599,630)
Social Welfare Subvention Surpluses			
Rent and Rates	20	370,978	(1,027,390)
Central Items	20	3,185,420	(2,927,561)
Furniture & Equipment Replenishment and Minor			
Works Block Grant Reserve Fund	21	(3,052,657)	(111,355)
Social Welfare Development Fund	22	206,868	104,212
SWD Allocation-One-Off Subsidy	23	6,662,867	(6,013,983)
Small Enterprise Fund (SWD)	24	412,678	(1,998,711)
Net amount transfer		<u>(14,798,413)</u>	<u>(9,123,903)</u>
DEFICIT FOR THE YEAR AFTER TRANSFER	12	(21,010,442)	(411,655)
RESERVED FUND BROUGHT FORWARD		<u>86,111,050</u>	<u>86,522,705</u>
RESERVED FUND CARRIED FORWARD		<u><u>65,100,608</u></u>	<u><u>86,111,050</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES FOR THE YEAR ENDED 31ST MARCH 2023

	DESIGNATED FUND							DESIGNATED FUND TOTAL HK\$
	Reserved Fund HK\$	Investment Revaluation Reserve HK\$	Staff Welfare and Development Fund HK\$	Service Users' and Families' Welfare and Charitable Fund HK\$	Flag Day Fund HK\$	Dr. Wu Wai Yung Fund HK\$	Dr. Stella Liu Fund HK\$	
Balance 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	105,831,744
Surplus for the year ended 31st March 2022	8,712,248	(716,858)	-	-	-	-	-	8,712,248
Change in fair value of investments	-	-	-	-	-	-	-	(716,858)
Total comprehensive income/(expense) for the year ended 31st March 2022	8,712,248	(716,858)	-	-	-	-	-	7,995,390
Transfer	(9,123,903)	969,209	971,254	-	(336,230)	(109,734)	(53,480)	(7,682,884)
Balance as 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)
Grants for Small Enterprise Fund (SWD)	-	(417,313)	-	-	-	-	-	(417,313)
Change in fair value of investments	-	-	-	-	-	-	-	-
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	(695,818)	6,265,373	1,605,892	7,353,600	3,104,331	1,936,133	84,670,119

	SUBVENTION ACCOUNT					SUBVENTION ACCOUNT TOTAL HK\$	DESIGNATED FUND TOTAL HK\$	FUNDS AND RESERVES TOTAL HK\$
	Lump Sum Grant Reserve Fund HK\$	Provident Fund Reserve (Non-snapshot staff) HK\$	Social Welfare Subvention Surpluses - Central Items surpluses HK\$	Social Welfare Replenishment and Minor Works Block Grant Reserve Fund HK\$	Social Welfare Development Fund HK\$			
Balance at 31st March 2021	152,546,865	1,515,173	35,330,249	600,984	987,797	192,618,119	105,831,744	298,449,863
Surplus for the year ended 31st March 2022	-	-	-	-	-	-	8,712,248	8,712,248
Change in fair value of investments	-	-	-	-	-	-	(716,858)	(716,858)
Total comprehensive income/(expense) for the year ended 31st March 2022	-	-	-	-	-	-	7,995,390	7,995,390
Transfer	(6,728,623)	(162,911)	2,599,630	2,927,561	(104,212)	7,682,884	(7,682,884)	-
Balance as at 31st March 2022	145,818,242	1,352,262	37,929,879	3,528,545	883,585	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 expense for the year ended 31st March 2023	-	-	-	-	-	-	(6,629,342)	(6,629,342)
Transfer	19,706,333	436,651	2,487,959	(3,185,420)	(206,868)	14,844,789	(14,844,789)	-
Balance as at 31st March 2023	165,524,575	1,788,913	40,417,838	343,125	676,717	215,145,792	84,670,119	299,815,911

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 31ST MARCH 2023**

	<u>2023</u> HK\$	<u>2022</u> HK\$
<i>Cash flows from operating activities</i>		
(Deficit)/Surplus before taxation	(6,212,029)	8,712,248
Adjustments for:		
Interest income on bank deposits	(4,527,441)	(604,448)
Dividend income on marketable investments	(149,174)	(226,529)
Depreciation on property, plant and equipment	7,047,855	7,191,310
Loss on disposal of property, plant and equipment	<u>25,602</u>	<u>18,788</u>
Operating (deficit)/surplus before working capital changes	(3,815,187)	15,091,369
Decrease/(Increase) in:		
Inventories	125,174	256,075
Accounts and other receivables	(9,368,454)	(3,129,986)
(Decrease)/Increase in creditors and accruals	<u>(10,762,392)</u>	<u>8,805,351</u>
Net cash (used in)/generated from operating activities	(23,820,859)	21,022,809
<i>Cash flows from investing activities</i>		
Interest received on bank deposits	3,696,929	659,107
Dividends received	189,817	185,886
Proceeds on disposal of marketable investments	1,311,535	1,115,414
Purchase of marketable investments	(1,444,838)	(1,121,399)
Payment on purchase of property, plant and equipment	(4,870,333)	(7,770,952)
Net decrease in bank deposits of more than 3 months to maturity from date of deposit	55,662,453	8,043,503
Net cash generated from investing activities	<u>54,545,563</u>	<u>1,111,559</u>
Net increase in cash and cash equivalents	<u>30,724,704</u>	<u>22,134,368</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 31ST MARCH 2023**

(continued)

	<u>2023</u> HK\$	<u>2022</u> HK\$
Net increase in cash and cash equivalents	30,724,704	22,134,368
Cash and cash equivalents at beginning of year	<u>97,446,200</u>	<u>75,311,832</u>
Cash and cash equivalents at end of year	<u><u>128,170,904</u></u>	<u><u>97,446,200</u></u>
Analysis of balances of cash and cash equivalents		
Time deposits with bank	185,466,604	227,106,981
Bank and cash balances	<u>82,148,828</u>	<u>65,446,200</u>
	267,615,432	292,553,181
Time deposits of more than 3 months to maturity from date of deposit	<u>(139,444,528)</u>	<u>(195,106,981)</u>
	<u><u>128,170,904</u></u>	<u><u>97,446,200</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

1. General

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

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

2. Basis of preparation and accounting policies

(a) Statement of compliance

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

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

(b) Basis of preparation of the financial statements

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

(c) Revenue recognition

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

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

2. Basis of preparation and accounting policies (continued)

(c) Revenue recognition (continued)

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

(d) Foreign currencies

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

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

(e) Impairment losses

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

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

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

2. Basis of preparation and accounting policies (continued)

(f) *Designated Funds*

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

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

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

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

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

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

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

(h) *Leases*

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

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

(i) *Financial instruments*

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

2. Basis of preparation and accounting policies (continued)

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

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

(k) *Inventories*

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

(l) *Account and other receivables*

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

(m) *Cash and cash equivalents*

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

(n) *Creditors and accruals*

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

(o) *Taxation*

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

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

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

2. Basis of preparation and accounting policies (continued)

(o) Taxation (continued)

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

3. Surplus before taxation

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

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Employment Support Scheme*	1,280,000	1,147,572
Auditors' remuneration	(277,200)	(263,200)
Staff costs	(367,316,014)	(364,535,297)
Depreciation on property, plant and equipment	(7,047,855)	(7,191,310)
Loss on disposal of property, plant and equipment	(25,602)	(18,788)
Rent under operating leases	<u>(16,844,420)</u>	<u>(15,305,788)</u>

* In 2022/2023, the Association's subsidiary company successfully applied for grant in sum of HK\$1,280,000 (in 2021/2022 - HK\$1,147,572) 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 [2022 - 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 [2022 - 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 [2022 - 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>2023</u> <u>HK\$</u>	<u>2022</u> <u>HK\$</u>
Deficit before taxation	<u>(832,377)</u>	<u>(118,554)</u>
Applied tax rate	<u>16.50%</u>	<u>16.50%</u>
Tax on deficit before taxation	(137,000)	(19,000)
Tax effect of:		
Expenses that are not deductible for taxation purposes	8,000	3,000
Income that are not assessable for taxation purposes	(211,000)	(610,000)
Unrecognised temporary differences	108,000	(79,000)
Unrecognised tax loss	<u>232,000</u>	<u>705,000</u>
	<u>-</u>	<u>-</u>

At the reporting date, the subsidiary company has unused tax losses and deductible temporary differences of HK\$11,900,000 and HK\$6,873,000 [2022 - \$10,490,000 and HK\$6,218,000] 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 2023

6. Property, plant and equipment

	<u>Buildings</u> HK\$	<u>Land and Construction and fitting out</u> HK\$	<u>Furniture and Equipment</u> HK\$	<u>Motor Vehicle</u> HK\$	<u>Computer</u> HK\$	<u>Total</u> HK\$
<i>At cost</i>						
At 31st March 2022	2	19,776,542	37,627,495	4,732,446	13,370,181	75,506,666
Additions	-	120,733	3,069,706	-	1,679,894	4,870,333
Disposal	-	-	(49,052)	-	(22,889)	(71,941)
At 31st March 2023	2	19,897,275	40,648,149	4,732,446	15,027,186	80,305,058
<i>Accumulated depreciation</i>						
At 31st March 2022	-	(17,517,165)	(32,223,344)	(2,911,157)	(10,400,989)	(63,052,655)
Charge for the year	-	(839,300)	(3,709,905)	(608,999)	(1,889,651)	(7,047,855)
Written back on disposal	-	-	30,487	-	15,852	46,339
At 31st March 2023	-	(18,356,465)	(35,902,762)	(3,520,156)	(12,274,788)	(70,054,171)
<i>Carrying amount</i>						
At 31st March 2023	<u>2</u>	<u>1,540,810</u>	<u>4,745,387</u>	<u>1,212,290</u>	<u>2,752,398</u>	<u>10,250,887</u>
At 31st March 2022	<u>2</u>	<u>2,259,377</u>	<u>5,404,151</u>	<u>1,821,289</u>	<u>2,969,192</u>	<u>12,454,011</u>

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>2023</u> HK\$	<u>2022</u> HK\$
Hong Kong listed securities	<u>5,155,290</u>	<u>5,439,300</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2023***8. Account and other receivables**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Contract deposits	1,381,189	1,532,563
Accounts receivable	13,347,931	7,022,879
Rental deposits	1,999,462	2,140,754
Utility deposits	2,128,503	2,213,416
Sundry deposits	172,075	149,416
Prepayments	8,246,856	8,085,548
Dividend receivable	-	40,643
Interest receivable	943,132	112,620
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	5,508,840	7,033,655
On-site Training Programme	151,497	151,497
Hong Kong Jockey Club Charities Trust	16,505,305	13,320,234
Hong Kong Arts Development Fund	535,055	338,965
Koo Foundation	645,294	922,764
Janssen HK	97,351	-
Fu Tak Iam Foundation	1,918,187	1,458,276
Public Education	300	-
Innovation and Technology Fund	610,460	371,947
Community Investment and Inclusion Fund	-	500,979
Education Bureau	3,815,403	2,868,631
Environment and Conservation Fund	602,863	290,089
Food Sharing Project	1,903	-
The Board of Management of the Chinese Permanent Cemeteries	101,593	-
	<u>58,714,199</u>	<u>48,555,876</u>

9. Time deposits with banks

	<u>2023</u> HK\$	<u>2022</u> HK\$
Funds from :		
Social Welfare Subvention Reserve Funds	159,509,706	156,879,746
Other Funds	25,956,898	70,227,235
Total time deposits with banks	<u>185,466,604</u>	<u>227,106,981</u>
<i>Analysis:</i>		
Time deposits of less than 3 months to maturity from date of deposit	46,022,076	32,000,000
Time deposits of more than 3 months to maturity from date of deposit	139,444,528	195,106,981
	<u>185,466,604</u>	<u>227,106,981</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2023***10. Creditors and accruals**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Accounts payable	1,645,694	1,188,548
Accruals	6,058,476	6,161,847
Other payables	4,909,155	21,674,903
Receipt in advance (included temporary credit)	2,809,167	1,060,774
Deferred income	5,925,576	6,174,876
Deposits of clients (for keys and lockers)	139,394	130,344
Rental deposits	37,600	38,000
Other deposits received	1,647,850	1,653,965
Accounts with:		
Lotteries Fund (WI-FI Project) [Note 31]	1,937,108	2,487,709
SWD-Employment Support Service	1,085,545	506,665
Integrated Employment Assistance Programme for Self-reliance	48,052	134,850
Chow Tai Fook Charity Foundation	7,245,941	1,275,130
Janssen HK	-	69,481
Mental Health Initiatives Funding Scheme	366,834	-
Lee Hysan Foundation	740,120	-
Shih Wing Ching Foundation	143,652	644,537
Enhancing Employment of People with Disabilities through Small Enterprises Project	7,130	7,130
Employees Retraining Board Fund	420,484	289,687
Food Sharing Project	-	117,776
Community Chest	69,272	460,212
Contribution	903,896	3,992,032
Community Investment and Inclusion Fund	298	-
Community Green Station	5,911,788	4,919,421
Mindset project	611,373	438,910
	<u>42,664,405</u>	<u>53,426,797</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

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>2023</u> HK\$	<u>2022</u> HK\$
<i>Assets</i>		
Furniture and equipment ^(Remark)	-	-
Other receivables	1,234	1,234
Utility and other deposits	17,800	17,800
Cash balances	133,597	169,570
<i>Liabilities</i>		
Other payables and accrued charges	(12,711)	-
Amount due to New Life Support Enterprises Limited	(3,368)	-
Tenants' deposits	<u>(68,578)</u>	<u>(68,578)</u>
<i>Net assets</i>	<u><u>67,974</u></u>	<u><u>120,026</u></u>

Remark :

Movements in furniture and equipment

Cost

At 31st March 2022 and 2023

5,270

Accumulated depreciation

At 31st March 2022 and 2023

(5,270)

Carrying amount

At 31st March 2022 and 2023

-

12. Reserved Fund

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	86,111,050	86,522,705
Movements during the year		
(Deficit)/Surplus for the year	<u>(6,212,029)</u>	8,712,248
Transfer to various funds and reserves	<u>(14,798,413)</u>	<u>(9,123,903)</u>
Deficit for the year after transfer ^{Remark}	<u><u>(21,010,442)</u></u>	<u>(411,655)</u>
Balance at end of year	<u><u>65,100,608</u></u>	<u><u>86,111,050</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

12. Reserved Fund (continued)

Remark :	<u>2023</u> HK\$	<u>2022</u> HK\$
Deficit for the year after transfer represents:		
Surplus from subvented service units [Note 27]	618,748	1,278,988
Deficit from Community Chest allocation	(300,327)	(181,807)
Surplus/(Deficit) from self financed units/projects	655,638	(1,839,410)
Deficit from subsidiary company	(832,377)	(118,554)
(Deficit)/Surplus from business operation	(1,056,469)	2,804,625
Production surplus transferred to Lump Sum Grant Reserve	(21,063,776)	-
Surplus from Ching Kung House	180,614	216,164
Transfer from/(to) Small Enterprise Fund (SWD) [Note 24]	412,678	(1,998,711)
Interest income on time deposits	1,142,114	169,730
Dividend income	149,174	226,529
Loss on disposal of investment	(916,459)	(969,209)
	<u>(21,010,442)</u>	<u>(411,655)</u>

13. Investment Revaluation Reserve

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	(1,194,964)	(1,447,315)
Change in fair value of investments at fair value through other comprehensive income	(417,313)	(716,858)
Amount released on disposal of investments at fair value through other comprehensive income transferred to Reserved Fund	<u>916,459</u>	<u>969,209</u>
Balance at end of year	<u>(695,818)</u>	<u>(1,194,964)</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>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	5,425,943	4,454,689
Movements during the year - Operating income	<u>839,430</u>	<u>971,254</u>
Amount transferred from Reserved Fund	<u>839,430</u>	<u>971,254</u>
Balance at end of year	<u>6,265,373</u>	<u>5,425,943</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 2023

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

	<u>2023</u> HK\$	<u>2022</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>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	8,846,212	9,182,442
Movements during the year		
Deficit from Jockey Club New Life Institute ^{Remark 1}	(1,372,631)	(303,859)
Happy ageing 330-Older Adult Project ^{Remark 2}	-	(31,950)
New Life 330 - second phase of audio track, mobile applications & webpage works ^{Remark 3}	(288,373)	(177,900)
New Life 330 project	194,692	231,435
330 members' actives	(26,300)	(53,956)
Amount transferred to Reserved Fund	<u>(1,492,612)</u>	<u>(336,230)</u>
Balance at end of year	<u>7,353,600</u>	<u>8,846,212</u>

Remark :

	<u>2023</u> HK\$	<u>2022</u> HK\$
(1) Deficit from Jockey Club New Life Institute :		
Operating income from Jockey Club New Life Institute (dues and fees, rental income and miscellaneous receipts)	1,830,816	1,871,320
Direct expenses		
Personnel emoluments	(1,193,733)	(290,189)
Administration and programme expenses	(1,451,396)	(962,674)
Rent and rates	(114,839)	(114,839)
Other expenses (utilities, stores and equipment, transportation and miscellaneous expenses)	<u>(443,479)</u>	<u>(807,477)</u>
	<u>(1,372,631)</u>	<u>(303,859)</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

16. Flag Day Fund (continued)

Remark :	<u>2023</u> HK\$	<u>2022</u> HK\$
(2) Happy ageing 330-Older Adult Project :		
Usage of Net Proceeds of 2016/17 Flag Day :		
Balance at beginning of year	125	32,075
Utilization	-	(31,950)
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	816,030	993,930
Utilization	<u>(288,373)</u>	<u>(177,900)</u>
Balance at end of year	<u>527,657</u>	<u>816,030</u>
(4) Usage of Net Proceeds of 2018/19 Flag Day		
Balance at beginning of year and end of year	<u>1,473,629</u>	<u>1,473,629</u>

17. Dr. Wu Wai Yung Fund

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	3,442,798	3,552,532
Movements during the year		
Operating income	-	6,481
Direct expenses	(20,520)	(113,087)
Interest income on time deposits	15,283	851
Loss on foreign exchange	(333,230)	(3,979)
Amount transferred to Reserved Fund	<u>(338,467)</u>	<u>(109,734)</u>
Balance at end of year	<u>3,104,331</u>	<u>3,442,798</u>

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

18. Dr. Stella Liu Fund

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	1,907,319	1,960,799
Movements during the year		
Interest income on time deposits	28,814	3,949
Direct expenses	-	(57,429)
Amount transferred from/(to) Reserved Fund	<u>28,814</u>	<u>(53,480)</u>
Balance at end of year	<u>1,936,133</u>	<u>1,907,319</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

18. Dr. Stella Liu Fund (continued)

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

19. Lump Sum Grant Reserve and Provident Fund Reserve

	Lump Sum Grant Reserve	Provident Fund Reserve		
	HK\$	Snapshot staff HK\$	Non-snapshot staff HK\$	Total HK\$
Balance at 31st March 2021	152,546,865	1,515,173	35,330,249	36,845,422
Movements during the year				
Grant received	360,260,897	6,608,968	19,751,928	26,360,896
Personnel emolument/OC/PF net fee/other income	(367,388,109)	(6,068,751)	(17,152,298)	(23,221,049)
Interest income on time deposits	398,589	-	-	-
	(6,728,623)	540,217	2,599,630	3,139,847
Amount refunded to Government	-	(703,128)	-	(703,128)
Amount transferred (to)/from Reserved Fund	(6,728,623)	(162,911)	2,599,630	2,436,719
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

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 2023

20. Social Welfare Subvention Surpluses

	<u>Rent and Rates HK\$</u>	<u>Central Items HK\$</u>	<u>Total HK\$</u>
Balance at 31st March 2021	(1,344,772)	600,984	(743,788)
Movements during the year			
Grant received	15,381,757	3,120,000	18,501,757
Amount repaid to Government	(212,920)	(190,509)	(403,429)
Rent and rates paid	(14,141,447)	-	(14,141,447)
Central items paid	-	(1,930)	(1,930)
Amount transferred from Reserved Fund	<u>1,027,390</u>	<u>2,927,561</u>	<u>3,954,951</u>
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 to Reserved Fund	<u>(370,978)</u>	<u>(3,185,420)</u>	<u>(3,556,398)</u>
Balance at 31st March 2023	<u>(688,360)</u>	<u>343,125</u>	<u>(345,235)</u>

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

	<u>2023 HK\$</u>	<u>2022 HK\$</u>
Balance at beginning of year	146,219	34,864
Movements during the year		
Grant received	5,957,000	6,003,000
Interest income on time deposits	52,268	30,081
Payment for:		
Minor works projects	(2,736,665)	(3,952,630)
Furniture and equipment	(189,292)	(1,931,581)
Vehicle Overhauling	(30,654)	(37,515)
Amount transferred from Reserved Fund	<u>3,052,657</u>	<u>111,355</u>
Balance at end of year	<u>3,198,876</u>	<u>146,219</u>

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 2023

22. Social Welfare Development Fund

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

	<u>2023</u> HK\$	<u>2022</u> HK\$
SWDF Phase 3		
Balance at beginning of year	883,585	987,797
Movements during the year		
Grant received	-	599,275
Interest on time deposits	3,386	1,195
Payment for		
1) Expenditure for projects under scope A	(210,254)	(646,682)
2) Expenditure for projects under scope B	-	-
3) Expenditure for projects under scope C	-	(58,000)
4) Expenditure for projects under administrative support	-	-
Amount transferred to Reserved Fund	<u>(206,868)</u>	<u>(104,212)</u>
Balance at end of year	<u><u>676,717</u></u>	<u><u>883,585</u></u>

23. SWD Allocation-One-Off Subsidy

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	8,397,886	2,383,903
Movements during the year		
Grant income	5,987,027	31,575,825
Fund adjustments	16,517,900	-
Amount repayable to Government	-	(19,637,900)
	<u>22,504,927</u>	<u>11,937,925</u>
Amount repaid to Government	(17,668,972)	(570,920)
Direct expenses	(11,498,822)	(5,353,022)
Amount transferred (to)/from Reserved Fund	<u>(6,662,867)</u>	<u>6,013,983</u>
Balance at end of year	<u><u>1,735,019</u></u>	<u><u>8,397,886</u></u>

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2023***24. Small Enterprise Fund (SWD)**

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

<u>Projects</u>	Balance brought forward HK\$	Transferred from/(to) Accumulated Funds HK\$	Balance carried forward HK\$
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>
2022			
Café 330 - CMC	57,315	(14,450)	42,865
Café 330 - CU	68,150	(22,050)	46,100
Café 330 - HKU	68,150	(22,050)	46,100
Café 330 - PWH	72,560	(23,520)	49,040
Delight Kitchen	92,677	(63,877)	28,800
Drinks 330	264,337	(58,501)	205,836
INNO 330	(60,133)	343,616	283,483
SO 330	-	1,859,543	1,859,543
	<u>563,056</u>	<u>1,998,711</u>	<u>2,561,767</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 2023

25. Property management reserve held on behalf of MINDSET Place

	<u>2023</u> HK\$	<u>2022</u> HK\$
<i>Income for the year ended 31st March</i>		
Building management fees	200,568	200,568
Interest income	243	1
	<u>200,811</u>	<u>200,569</u>
<i>Expenditure for the year ended 31st March</i>		
Administration expenses		
Insurance	(17,679)	(17,604)
Personnel emolument	(62,118)	(62,391)
Staff wellness expenses	(606)	(382)
Administration expenses	(14,276)	(15,567)
Miscellaneous expenses	-	(700)
Utilities	(25,009)	(24,679)
Repairs and maintenance	(133,175)	(107,367)
	<u>(252,863)</u>	<u>(228,690)</u>
<i>Deficit for the year ended 31st March</i>	(52,052)	(28,121)
<i>Accumulated surplus brought forward</i>	<u>120,026</u>	<u>148,147</u>
<i>Accumulated surplus carried forward</i>	<u><u>67,974</u></u>	<u><u>120,026</u></u>

26. Lotteries Fund

	<u>2023</u> HK\$	<u>2022</u> HK\$
a) <i>Procurement of Household / Furniture and Equipment:</i>		
Mobile Van for Publicity Service on Mental Wellness	-	1,239,559
Siu Lam Long Stay Care Home	25,180	-
	<u>25,180</u>	<u>1,239,559</u>
b) <i>Fitting-out Works:</i>		
Pok Hong Halfway House	-	43,973
Jockey Club Farm House	-	38,139
Tuen Mun Long Stay Care Home	-	29,306
Siu Lam Long Stay Care Home	1,079,238	-
Supported Centre for Persons with Autism	1,319,084	173,874
Mindset Place	(13,450)	13,450
The Wellness Centre - Islands	-	249,120
The Wellness Centre - Kwai Chung	-	301,625
	<u>2,384,872</u>	<u>849,487</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

26. Lotteries Fund (continued)

	<u>2023</u> HK\$	<u>2022</u> HK\$
c) Undertake Fire Safety/Building Safety Rectification Measures:		
Sun Chui Halfway House	107,530	-
Pok Hong Halfway House	-	2,948
Shan King Halfway House	-	102,466
Shek Lei Halfway House	198,216	154,590
Lei Tung Halfway House	60,496	-
Jockey Club Farm House	-	4,940
New Life Jubilee House	298,377	7,147
Tin King Hostel	-	4,900
Tuen Mun Long Stay Care Home	421,859	-
Yuet Wo House	-	1,046,474
Yi Yuet Hin	-	13,950
New Life Building Long Stay Care Home	-	451,019
	<u>1,086,478</u>	<u>1,788,434</u>
d) Procurement of Vehicle:		
Mobile Van for Publicity Service on Mental Wellness	-	2,018,648
	<u>3,496,530</u>	<u>5,896,128</u>

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

At 31st March 2023, the outstanding commitments in respect of the Lotteries Fund Block Grant and the Lotteries Fund Project Grant are as follows:

	<u>2023</u> HK\$	<u>2022</u> HK\$
Contracted for but not provided in the financial statement in respect of:		
Lotteries Fund Block Grant	-	-
Lotteries Fund Project Grant	4,445,876	929,473
	<u>4,445,876</u>	<u>929,473</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2023***27. Transfer of surpluses social welfare subvention**

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

SURPLUS / (DEFICIT) FROM SUBVENTED SERVICE UNITS

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Central Administration		
Central Administration Expenses	275,719	911,849
Management Office at New Life Building	102,020	151,792
Total	<u>377,739</u>	<u>1,063,641</u>
Workshops and Hostels		
Sun Chui Halfway House	4,165	388
Pok Hong Halfway House	53	213
Tin Yuet Halfway House	6,598	322
Shan King Halfway House	(24)	3
Shek Lei Halfway House	547	(8)
Chuk Yuen Halfway House	1,552	344
Balance of Workshops and Hostels carried down	<u>12,891</u>	<u>1,262</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

27. Transfer of surpluses social welfare subvention (continued)

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

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Workshops and Hostels		
Balance of Workshops and Hostels brought down	12,891	1,262
Lei Tung Halfway House	378	541
New Life Building Halfway House (I)	(3,474)	385
New Life Building Halfway House (II)	(19)	(2,296)
New Life Building Halfway House (III)	3,062	2,669
Jockey Club Farm House	(31)	(5)
Agency-based Peer Support Service in Community Psychiatric Service Units	2,398	(1)
New Life Jubilee Hostel	(42)	(15)
Tin King Hostel	237	(12)
Joyous Place	190	(11)
Tuen Mun Long Stay Care Home	(2,746)	(70)
New Life Building Long Stay Care Home	81,761	(66)
Mobile Van for Publicity Service on Mental Wellness	(12)	(4)
The Wellness Centre - Sham Shui Po	2,117	(11,239)
The Wellness Centre - Tuen Mun	13,348	24,336
The Wellness Centre - Shatin	(12,133)	14,746
The Wellness Centre - Tin Shui Wai	650	1,743
The Wellness Centre - Kwai Chung	10,541	12,243
The Wellness Centre - Yau Tsim Mong	4,744	13,780
The Wellness Centre - Islands	4,630	9,109
Kwai Shing Sheltered Workshop	14,940	10,184
Shek Pai Wan Integrated Work Centre	33,478	3,910
Tin King Sheltered Workshop	65,665	28,966
Chuk Yuen Integrated Work Centre	31,740	66,433
New Life Building Sheltered Workshop	3,147	2,439
New Life Farm Sheltered Workshop	(34,865)	52,569
Agency-Based Vocational Support	(5)	(2)
Work Extension Programme	(8)	(4)
Supported Centre for Persons with Autism	(26)	(11)
Supported Employment Service	8,458	(16,230)
On the Job Training Programme	(5)	(2)
Total	<u>241,009</u>	<u>215,347</u>
Grand total	<u>618,748</u>	<u>1,278,988</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

28. Categories of financial assets and financial liabilities

	<u>2023</u> HK\$	<u>2022</u> HK\$
<i>Financial assets:</i>		
Non-current assets -		
Equity investments at fair value through other comprehensive income	5,155,290	5,439,300
Current assets - at amortized cost:		
Receivables [excluding prepayments]	50,467,343	40,470,328
Bank deposits and cash	<u>267,615,432</u>	<u>292,553,181</u>
	<u>323,238,065</u>	<u>317,395,182</u>
<i>Financial liabilities:</i>		
Current liabilities - at amortized cost:		
Payables [excluding receipt in advance]	<u>39,855,238</u>	<u>52,366,023</u>

29. Commitments under operating leases

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

	<u>2023</u> HK\$	<u>2022</u> HK\$
Not later than one year	9,386,869	7,121,568
Later than one year but not later than five years	<u>9,181,985</u>	<u>8,367,024</u>
	<u>18,568,854</u>	<u>15,488,592</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 [2022 - Same].

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION


Notes to the Financial Statements for the year ended 31st March 2023

31. Lotteries Fund (Wi-Fi Project)

Income and Expenditure Statement for
Lotteries Fund Experimental project of Limited duration
For the year ended 31st March 2023
Organisation Name : New Life Psychiatric Rehabilitation Association

	<u>Wi-Fi Project</u>	
	<u>35141-837-4510-0000</u>	
	<u>2023</u>	<u>2022</u>
	<u>HK\$</u>	<u>HK\$</u>
Income		
Lotteries Fund Grant	699,600	699,600
Interest Income	40,539	5,797
Total Income (A)	<u>740,139</u>	<u>705,397</u>
Expenditure		
Other Expenditure:		
(i) Technical set-up and installation cost	1,110,453	118,856
(ii) Operating expenses	180,287	188,301
Total Expenditure (B)	<u>1,290,740</u>	<u>307,157</u>
Surplus for the year (C) = (A) - (B)	<u>(550,601)</u>	<u>398,240</u>
Add : Cumulated income b/f (D)	2,813,816	2,108,419
Cumulated expenditure b/f (E)	326,107	18,950
Cumulated surplus / (deficit) b/f (F) = (D) - (E)	<u>2,487,709</u>	<u>2,089,469</u>
Cumulated surplus c/f (G) = (C) + (F)	<u>1,937,108</u>	<u>2,487,709</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 **11 AUG 2023**



Miss TAM Kam Lan, Annie, GBS, JP
Chairperson



Mr. CHAU Gee Hung, Henry
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

32. Statement of Financial Position of the Association at 31st March 2023

	<u>Note</u>	<u>2023</u> <u>HK\$</u>	<u>2022</u> <u>HK\$</u>
NON-CURRENT ASSETS			
Property, plant and equipment	32 (a)	7,889,480	9,149,891
Investment in subsidiary company	32 (b)	15,191,554	15,981,863
Equity investments at fair value through other comprehensive income	7	<u>5,155,290</u>	<u>5,439,300</u>
		28,236,324	30,571,054
CURRENT ASSETS			
Inventories - goods for sale		564,257	643,098
Accounts and other receivables	32 (c)	56,798,883	46,424,613
Time deposits with banks	9	185,466,604	227,106,981
Bank and cash balances		80,607,728	63,813,972
		323,437,472	337,988,664
CURRENT LIABILITIES			
Creditors and accruals	32 (d)	(40,480,053)	(51,569,010)
NET CURRENT ASSETS		<u>282,957,419</u>	<u>286,419,654</u>
NET ASSETS		<u><u>311,193,743</u></u>	<u><u>316,990,708</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

32. Statement of Financial Position of the Association at 31st March 2023 (continued)

	<u>Note</u>	<u>2023</u> <u>HK\$</u>	<u>2022</u> <u>HK\$</u>
<i>representing:</i>			
DESIGNATED FUNDS			
Reserved Fund	32 (e)	78,627,529	99,218,272
Investment Revaluation Reserve	13	(695,818)	(1,194,964)
Staff Welfare and Development Fund	14	6,265,373	5,425,943
Service Users' and Families' Welfare and Charitable Fund	15	1,605,892	1,605,892
Flag Day Fund	16	7,353,600	8,846,212
Dr. Wu Wai Yung Fund	17	3,104,331	3,442,798
Dr. Stella Liu Fund	18	1,936,133	1,907,319
		98,197,040	119,251,472
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	19	165,524,575	145,818,242
Provident Fund Reserve			
- Snapshot staff	19	1,788,913	1,352,262
- Non-snapshot staff	19	40,417,838	37,929,879
Social Welfare Subvention Surpluses			
Rent and Rates	20	(688,360)	(317,382)
Central Items Surpluses	20	343,125	3,528,545
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve Fund	21	3,198,876	146,219
Social Welfare Development Fund	22	676,717	883,585
SWD Allocation-One-Off Subsidy	23	1,735,019	8,397,886
		212,996,703	197,739,236
		311,193,743	316,990,708

Approved and authorised for issue by the Executive Committee on **11 AUG 2023**


Miss TAM Kam Lan, Annie, GBS, JP
Chairperson


Mr. CHAU Gee Hung, Henry
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

32. Statement of Financial Position of the Association at 31st March 2023 (continued)

(a) Property, plant and equipment

	Land and <u>Buildings</u> HK\$	Furniture and <u>Equipment</u> HK\$	Motor <u>vehicles</u> HK\$	<u>Computer</u> HK\$	<u>Total</u> HK\$
<i>At cost</i>					
At 31st March 2022	2	29,819,014	4,477,037	13,370,181	47,666,234
Additions	-	2,761,868	-	1,679,894	4,441,762
Disposal	-	(32,330)	-	(22,889)	(55,219)
At 31st March 2023	2	32,548,552	4,477,037	15,027,186	52,052,777
<i>Accumulated depreciation</i>					
At 31st March 2022	-	(25,459,606)	(2,655,748)	(10,400,989)	(38,516,343)
Charge for the year	-	(3,186,282)	(608,999)	(1,889,651)	(5,684,932)
Written back on disposal	-	22,126	-	15,852	37,978
At 31st March 2023	-	(28,623,762)	(3,264,747)	(12,274,788)	(44,163,297)
<i>Carrying amount</i>					
At 31st March 2023	2	3,924,790	1,212,290	2,752,398	7,889,480
At 31st March 2022	2	4,359,408	1,821,289	2,969,192	9,149,891

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>2023</u> HK\$	<u>2022</u> HK\$
Unlisted shares, at cost	15,000,020	15,000,020
Amount due from subsidiary company	191,534	981,843
	15,191,554	15,981,863

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 2023

32. Statement of Financial Position of the Association at 31st March 2023 (continued)

(c) Account and other receivables

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Contract deposits	1,381,189	1,532,563
Accounts receivable	12,818,278	6,375,204
Rental deposits	1,999,462	2,140,754
Utility deposits	1,199,701	1,171,701
Sundry deposits	172,075	149,416
Prepayments	7,789,995	7,643,675
Dividend receivable	-	40,643
Interest receivable	943,132	112,620
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	5,508,840	7,033,655
On-site Training Programme	151,497	151,497
Hong Kong Jockey Club Charities Trust	16,505,305	13,320,234
HK Arts development fund	535,055	338,965
Koo Foundation	645,294	922,764
Janssen HK	97,351	-
Fu Tak Iam Foundation	1,918,187	1,458,276
Public Education	300	-
Innovation and Technology Fund	610,460	371,947
Community Investment and Inclusion Fund	-	500,979
Education Bureau	3,815,403	2,868,631
Environment and Conservation Fund	602,863	290,089
Food Sharing Project	1,903	-
The Board of Management	-	-
of the Chinese Permanent Cemeteries	101,593	-
	<u>56,798,883</u>	<u>46,424,613</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2023***32. Statement of Financial Position of the Association at 31st March 2023 (continued)****(d) Creditors and accruals**

	<u>2023</u> HK\$	<u>2022</u> HK\$
Accounts payable	1,043,129	900,408
Accruals	4,587,342	4,691,791
Other payables	4,909,155	21,674,903
Receipt in advance (included temporary credit)	2,698,514	961,183
Deferred income	5,925,576	6,174,876
Deposits of clients (for keys and lockers)	139,394	130,344
Rental deposits	37,600	38,000
Other deposits received	1,647,850	1,653,965
Accounts with:		
Lotteries Fund (WI-FI Project) [Note 31]	1,937,108	2,487,709
Employment Support Service	1,085,545	506,665
Integrated Employment Assistance Programme for Self-reliance	48,052	134,850
Chow Tai Fook Charity Foundation	7,245,941	1,275,130
Janssen HK	-	69,481
Mental Health Initiatives Funding Scheme	366,834	-
Lee Hysan Foundation	740,120	
Shih Wing Ching Foundation	143,652	644,537
Enhancing Employment of People with Disabilities through Small Enterprises Project	7,130	7,130
Employees Retraining Board Fund	420,484	289,687
Food Sharing Project	-	117,776
Community Chest	69,272	460,212
Contribution	903,896	3,992,032
Community Investment and Inclusion Fund	298	-
Community Green Station	5,911,788	4,919,421
Mindset project	611,373	438,910
	<u>40,480,053</u>	<u>51,569,010</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2023

32. Statement of Financial Position of the Association at 31st March 2023 (continued)

(e) Reserved Fund

	<u>2023</u> HK\$	<u>2022</u> HK\$
Balance at beginning of year	99,218,272	97,512,662
Movements during the year		
(Deficit)/Surplus for the year	(5,379,652)	8,830,802
Transfer to various funds and reserves*	(15,211,091)	(7,125,192)
(Deficit)/Surplus for the year after transfer ^{Remark}	<u>(20,590,743)</u>	<u>1,705,610</u>
Balance at end of year	<u>78,627,529</u>	<u>99,218,272</u>
Remark :		
(Deficit)/Surplus for the year after transfer represents:		
Surplus from subvented service units [Note 27]	618,748	1,278,988
Deficit from Community Chest allocation	(300,327)	(181,807)
Surplus/(Deficit) from self financed units/projects	655,638	(1,839,410)
(Deficit)/Surplus from business operations	(1,056,469)	2,804,625
Production surplus transferred to		
Lump Sum Grant Reserve	(21,063,776)	-
Surplus from Ching Kung House	180,614	216,164
Interest income on bank deposits	1,142,114	169,730
Dividend income	149,174	226,529
Loss on disposal of investment	(916,459)	(969,209)
	<u>(20,590,743)</u>	<u>1,705,610</u>
 * Transfer amount per consolidated financial statements	 14,798,413	 9,123,903
Exclusion of transfer amount from/(to) :		
Small Enterprise Fund (SWD) for operation of subsidiary company	<u>412,678</u>	<u>(1,998,711)</u>
	<u>15,211,091</u>	<u>7,125,192</u>