

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 2020

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 2020

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NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

EXECUTIVE COMMITTEE MEMBERS

Chairperson

Miss TAM Kam Lan, Annie, GBS, JP

Vice-chairperson

Mr. YOUNG Wai Tsing, Stephen

Honorary Secretary

Dr. CHEUNG Hung Kin

Honorary Treasurer

Mr. TSE Kam Keung

Members

Ms. CHUI Mei Lee, Teresa	(appointed on 27th September 2019)
Dr. LEE Chi Chiu	
Ms. LO Dak Wai, Alexandra, JP	
Prof. MAK Wing Sze, Winnie	(resigned on 27th September 2019)
Ms. WOO Yuen Ling	
Dr. YEUNG Kwok Wah, Allen	
Dr. YU Chi Shing, Edwin, MH	
Dr. YU Wai Tak	
Dr. YUEN Cheung Hang, Henry	

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

REPORT OF EXECUTIVE COMMITTEE

The Executive Committee members have pleasure in presenting their report together with audited consolidated financial statements of the Association and its subsidiary [together referred to as "the Group"] for the year ended 31st March 2020.

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 22 social enterprises serving total number of service users 96,724.

(II) Core Services

(a) Community Services

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

BUSINESS REVIEW (continued)

(II) Core Services (continued)

(b) Residential Services

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

(c) Vocational Rehabilitation Services

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

(d) Social Enterprises

The Association currently operates 22 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 2019/20, Internal Audit Department completed the reviews of "Fixed Assets Management", "Inventory Management", "Fund Raising Activities" and "Bank, Cash and Investment" in line with the audit plan approved by the Executive Committee. The audit reports and recommendations had been discussed with relevant departments and management, and reported to the Finance and Administration Subcommittee and Executive Committee.

(a) Financial Risks

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

The Association's total income for this financial year 2019/20 was HK\$607 million. The two major sources of income were Lump Sum Grant from the Social Welfare Department for delivering recurrent welfare services (65.05%) and the fee income received for providing welfare services (21.02%). Grants from The Hong Kong Jockey Club Charities Trust, Lotteries Fund and The Community Chest of Hong Kong made up about 4.37%, 5.53% and 0.24% of the total income, respectively. Donation, investment income and other income represented the remaining 3.79% of the annual income.

BUSINESS REVIEW (continued)

(III) Principle risks and uncertainties (continued)

(a) Financial Risks (continued)

The total expenditure of the Association's operations for this financial year 2019/20 was HK\$601 million. Cost of service operation and service support represented 78.53% and 16.86% of the total expenditure respectively. Management and administration cost constituted about 4.61% of the annual expenditure.

In financial year 2019/20, there was an overall surplus of HK\$6 million. As of 31 March 2020, the Association was in a net asset position. It was considered to be financially sustainable.

(b) Manpower Risks

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

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

(c) Service Quality Risks

To monitor the compliance of Service Quality Standards (SQS) set by the Social Welfare Department (SWD), the Association conducted internal audits at service units and cross-unit SQS audits, and completed self-assessment on SQS during 2019/20. Experience Sharing sessions were organized among staff on SWD's Special Visiting Program (SVP) of SQS. In addition, training workshops were regularly held to familiarize staff at all levels with "SQS" requirements. The Association also set out and implemented the Year Plan on Occupational Safety and Health. Regular safety audits in all service units were conducted and the recommendations were followed up with improvement actions taken.

BUSINESS REVIEW (continued)

(IV) Key Relationships

(a) Membership

The Association's membership is open to persons who support the objects of the Association and pay a fee. The Association offers two categories of membership – Life Member and Ordinary Member. In 2019/20, the Association maintains a membership of 162.

(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 1,000 staff comprising of professional, management, administrative, frontline and support staff.

(d) External Partners

External partners of the Group include:

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

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

(V) Environmental Friendliness and Social Responsibility

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

BUSINESS REVIEW (continued)

(V) Environmental Friendliness and Social Responsibility (continued)

- (a) The Association continued its collaboration with the Environmental Campaign Committee and the Environmental Protection Department (EPD) to organize "Green Lunar New Year Fair" in January 2020 at Kwai Chung Sports Ground. A publicity and educational booth was set up to promote green initiatives and messages to the public and stall operators. Resources Sharing Corners were set up in the fair venue to collect unsold goods and leftover materials from stall operators for on-site distribution or redistribution to other people after the fair.
- (b) Funded by the Environmental and Conservation Fund, the Association started another 2-year Food Sharing Project (the third phase) in Kwai Tsing and Tsuen Wan Districts from June 2019. Concept of environmental protection and food conservation have been promoted through food donation and sharing of surplus food. The Project has also encouraged the mutual help within the community and relieved the economic burden of the underprivileged.
- (c) The Association submitted its first application of the "Hong Kong Green Organization Certification" jointly organized by Environmental Campaign Committee, Environmental Protection Department and 9 organizations for the New Life Building. After the assessment of various energy saving and waste reduction measures, the New Life Building was awarded the "Energywise Certificate – Basic Level" and "Wastewise Certificate – Basic Level" by Environmental Campaign Committee, and the Association was successfully certified as "Hong Kong Green Organization" to recognize the environmental protection efforts of the Association.
- (d) 40 staff members participated in the visit of Kwai Tsing Community Green Station cum Green Ambassador Training in October 2019. Participants familiarized themselves with the current waste recycling work, recycling facilities and the latest environmental protection information through guided tours; and also experienced how to convert waste into usable material in eco-friendly handicraft workshops. The activity not only enhanced the environmental awareness of the participants, but also strengthened the participants' understanding and implementation of environmental protection work that in turn facilitated the active promotion of green culture in workplace.

(VI) Important events for Financial Year 2019/2020

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

BUSINESS REVIEW (continued)

(VI) Important events for Financial Year 2019/2020 (continued)

- (b) The Association was successfully granted through bidding to operate Mobile Van for Publicity Service on Mental Wellness by Social Welfare Department, commenced since July and August 2019 in the New Territories (West) and New Territories (East) respectively. Being named as 'NewLIFeStyle', the service aims at promoting the positive and healthy lifestyle to the public and achieve the holistic well-being. The team tours around the New Territories and gets in touch with residents and community members, to raise their understanding of mental health and acceptance of people in recovery from mental illnesses (PIR), strengthen collaboration with community stakeholders, promote the optimal use of community resources and social networks, and provide prevention, early detection and intervention services for people who are in need of mental healthcare.

(VII) Future Likely Developments

- (a) In 2019/20, 6 residential service units had piloted an Electronic Residential Management System - the e-Care System to enhance the healthcare management for 9 months. The pilot result proved that the amount of time required by staff to input and transcribe the data was reduced and the data accuracy was increased. The e-Care System facilitated the staff to record, retrieve and generate users' profile, clinical data, service statistics and reports. The System would be fully implemented in all residential units in 2020/21.
- (b) Chuk Yuen Integrated Work Centre has been operating by the Association over 25 years since 1995. Facing the deterioration of aged users, in physical, cognitive and psychological aspects, together with the broad aged range derived, a service re-structure from sole vocational rehabilitation training model to stepped care service model is proposed. In 2019, the centre has been awarded a funding support from the Hong Kong Jockey Club Charities Trust for a renovation cum service re-structure project enhancement. This enhancement project hopes to serve as an evidence-based example to other vocational rehabilitation service units that are facing similar ageing challenges in Hong Kong.

BUSINESS REVIEW (continued)

(VIII) Results and Reserves

Financial results for the year ended 31st March 2020 and movements in the funds and reserves are set out in the statement of comprehensive income and the statement of changes in funds and reserves on pages 14 to 22.

	2019/2020	2018/2019
Return on Net Assets (change in net assets / average total net assets)	1.4%	1.2%
Current Ratio (current assets / current liabilities)	9.2	9.7

The Association maintains a healthy financial position. The net assets return indicated that its stable financial performance, reflecting a careful and sound financial management strategy. 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, **18 AUG 2020**

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1001 Admiralty Centre Tower 1, 18 Harcourt Road, Hong Kong.
Tel : 2861 1717 Fax : 2865 6828 Email : mail@fslico.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

[incorporated in Hong Kong and limited by guarantee]

Opinion

We have audited the consolidated financial statements of New Life Psychiatric Rehabilitation Association and its subsidiary ["the Group"] set out on pages 14 to 55, which comprise the consolidated statement of financial position as at 31st March 2020, and the consolidated statement of comprehensive income, the consolidated statement of changes in funds and reserves and the consolidated cash flow statement 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 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ["HKFRSPE"] issued by the Hong Kong Institute of Certified Public Accountants ["HKICPA"] and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ["HKSAs"] issued by the HKICPA. Our responsibilities under those standards are further described in the **Auditor's responsibilities for the audit of the financial statements** section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ["the Code"], and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Executive Committee Members are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSPE issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committee Members determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Executive Committee Members are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee Members either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, 18 AUG 2020

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AT 31ST MARCH 2020**

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	6	12,078,765	14,124,128
Equity investments at fair value through other comprehensive income	7	<u>5,637,711</u>	<u>7,282,538</u>
		17,716,476	21,406,666
CURRENT ASSETS			
Inventories - goods for sale		1,404,911	966,111
Accounts and other receivables	8	72,563,724	69,306,126
Time deposits with banks	9	175,847,410	199,951,164
Bank and cash balances		62,923,660	31,743,115
Tax repayable		75,465	-
		312,815,170	301,966,516
CURRENT LIABILITIES			
Creditors and accruals	10	(34,181,507)	(31,174,167)
NET CURRENT ASSETS		<u>278,633,663</u>	<u>270,792,349</u>
NET ASSETS		296,350,139	292,199,015
NET ASSETS HELD ON BEHALF OF MINDSET PLACE - property management account			
	11	<u>146,084</u>	<u>133,452</u>
		<u>296,496,223</u>	<u>292,332,467</u>

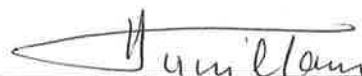
NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2020

(Continued)

	<u>Note</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
<i>representing:</i>			
DESIGNATED FUNDS			
Reserved Fund	12	90,904,346	6,128,001
Investment Revaluation Reserve	13	(2,420,143)	(544,799)
Fund for Ching Kung House	14	-	2,610,985
Staff Welfare and Development Fund	15	3,872,350	3,115,283
Service Users' and Families' Welfare and Charitable Fund	16	1,605,892	1,470,981
Flag Day Fund	17	9,886,398	11,483,604
Production Floating Fund	18	-	82,252,005
Fundraising Campaign Fund	19	-	875,907
Dr. Wu Wai Yung Fund	20	2,863,811	3,145,289
Dr. Stella Liu Fund	21	1,945,429	1,918,614
Mrs. Esther De Sousa Fund	22	-	2,776,833
		108,658,083	115,232,703
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	23	145,881,999	138,080,429
Provident Fund Reserve			
-Snapshot staff	23	1,496,125	1,396,360
-Non-snapshot staff	23	32,209,567	28,932,995
Social Welfare Subvention Surpluses			
Rent and Rates	24	(2,071,869)	(2,609,789)
Central Items Surpluses	24	2,124,128	350,125
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund	25	5,416,357	7,159,104
Social Welfare Development Fund	26	983,485	1,733,012
SWD Allocation-One-Off Subsidy	27	743,264	-
Small Enterprise Fund (SWD)	28	909,000	1,924,076
		187,692,056	176,966,312
		296,350,139	292,199,015
PROPERTY MANAGEMENT RESERVES HELD ON BEHALF OF MINDSET PLACE			
	29	146,084	133,452
		296,496,223	292,332,467

The financial statements on page 14 to 55 were approved and authorised for issue by the Executive Committee on **1 8 AUG 2020**


 Miss TAM Kam Lan, Annie, GBS, JP
 Chairperson


 Mr. TSE Kam Keung
 Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2020

	<u>2020</u> HK\$	<u>2019</u> HK\$
INCOME		
Social Welfare Lump Sum Grant	371,892,302	327,099,233
Social Welfare Designated Subvention		
Central Items	3,719,676	-
Rent and rates, Government Rent	14,988,394	12,710,654
Rent and Rates - Amount refunded to Government	(18,417)	(3,467)
Social Welfare Development Fund [Note 26]	190,000	2,113,600
SWD Allocation One-Off Subsidy [Note 27]	1,505,160	-
Intensive Employment Assistance Programme for Self-reliance	2,462,485	2,740,153
Furniture and Equipment Replenishment and Minor Works Block Grant [Note 25]	5,185,000	4,720,000
Hospital Authority	1,314,000	1,314,000
Employees Retraining Fund	111,236	233,362
Community Chest	1,483,546	1,394,466
Other grants	13,392,849	12,110,298
Lotteries Fund [Note 30]	28,370,014	8,950,261
Hong Kong Jockey Club Charities Trust	26,488,392	22,793,214
Donations	1,446,514	4,114,528
Dues and Fees	29,995,314	29,271,712
Members' Subscriptions	2,000	2,650
Rental Income	341,739	369,000
Mental health promotion programme	-	71,874
Miscellaneous Receipts	3,049,467	3,143,927
Grants transferred to Deferred Income	<u>(1,467,284)</u>	<u>593,132</u>
OPERATING INCOME	504,452,387	433,742,597
OTHER INCOME		
Production income	97,519,965	104,837,780
Interest income on bank deposits	4,376,355	3,405,451
Interest income on bond investments	-	6,621
Dividend income on marketable investments	251,723	386,801
Gain on foreign exchange, net	-	330,417
Additional subvention received for previous year	173,194	317,316
Property manager remuneration	8,500	8,772
	<u>102,329,737</u>	<u>109,293,158</u>
TOTAL INCOME CARRIED DOWN	<u>606,782,124</u>	<u>543,035,755</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2020

(continued)

	<u>2020</u> HK\$	<u>2019</u> HK\$
INCOME		
TOTAL INCOME BROUGHT DOWN	606,782,124	543,035,755
EXPENDITURE		
Personnel Emoluments	(335,589,437)	(309,871,010)
Cost of Operation	(18,035,907)	(16,302,597)
Administration	(22,217,622)	(20,895,106)
Utilities	(8,552,215)	(8,367,923)
Stores and Equipment	(26,689,718)	(20,841,187)
Programme Expenses	(10,100,269)	(11,486,671)
Transport and Travelling	(1,624,052)	(1,609,617)
Designated Subvention Items		
Central Items	(1,945,673)	(4,000)
Rent and rates, Government Rent	(14,432,057)	(13,356,232)
Social Welfare Development Fund [Note 26]	(941,443)	(1,375,499)
SWD Allocation One-Off Subsidy [Note 27]	(761,896)	-
Intensive Employment Assistance Programme for Self-reliance	(2,462,485)	(2,740,154)
Furniture and Equipment Replenishment and Minor Works Block Grant [Note 25]	(7,086,572)	(2,394,368)
Hospital Authority	(1,747,305)	(1,589,721)
Employees Retraining Fund	(111,236)	(233,362)
Community Chest	(1,483,546)	(1,394,466)
Grants Utilized	(6,442,896)	(6,592,393)
Lotteries Fund [Note 30]	(28,370,014)	(8,950,261)
Hong Kong Jockey Club Charities Trust	(26,488,392)	(22,793,214)
Production expenses	(84,639,776)	(86,711,114)
Loss on foreign exchange, net	(579,196)	(246,976)
Amount refund to Government	(814,219)	(1,328,112)
Mental health promotion programme	-	(77,268)
	(601,115,926)	(539,161,251)
LOSS ON DISPOSAL OF MARKETABLE INVESTMENTS	-	(152,967)
IMPAIRMENT LOSS ON MARKETABLE INVESTMENTS	-	(58,011)
SURPLUS BEFORE TAXATION	5,666,198	3,663,526
TAXATION [Note 5]	325,885	93,097
SURPLUS FOR THE YEAR	5,992,083	3,756,623
ITEMS INCLUDED IN SMALL ENTERPRISES FUND (SWD)		
Grant for Small Enterprise Fund (SWD) for the year	34,385	322,519
NET SURPLUS FOR THE YEAR	6,026,468	4,079,142

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31ST MARCH 2020**

	<u>2020</u> HK\$	<u>2019</u> HK\$
NET SURPLUS FOR THE YEAR	6,026,468	4,079,142
OTHER COMPREHENSIVE EXPENSE		
<i>Items that will not be reclassified to surplus or deficit:</i>		
Change in fair value of equity investments at fair value through other comprehensive income [Note 13]	<u>(1,875,344)</u>	<u>(544,799)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>4,151,124</u>	<u>3,534,343</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF RESERVE FUND FOR THE YEAR ENDED 31ST MARCH 2020

(continued)

	<u>2020</u> HK\$	<u>2019</u> HK\$
NET SURPLUS FOR THE YEAR BEFORE TRANSFER	5,992,083	3,756,623
TRANSFER FROM/(TO):		
Designated funds -		
Investment revaluation reserve [Note 13]	-	(90,733)
Fund for Ching Kung House [Note 14]	2,610,985	(139,603)
Staff Welfare and Development Fund [Note 15]	(757,067)	(362,262)
Service Users' and Families' Welfare and Charitable Fund [Note 16]	(134,911)	-
Flag Day Fund [Note 17]	1,597,206	(46,557)
Production Floating Fund [Note 18]	82,252,005	(2,517,520)
Fundraising Campaign Fund [Note 19]	875,907	-
Dr. Wu Wai Yung Fund [Note 20]	281,478	81,774
Dr. Stella Liu Fund [Note 21]	(26,815)	(23,872)
Mrs. Esther De Sousa Fund [Note 22]	2,776,833	(52,440)
Subvention account -		
Lump Sum Grant Reserve Fund		
Lump Sum Grant Reserve [Note 23]	(7,801,570)	54,221
Provident Fund Reserve		
-Snapshot staff [Note 23]	(99,765)	645,456
-Non-snapshot staff [Note 23]	(3,276,572)	(2,563,562)
Social Welfare Subvention Surpluses		
Rent and Rates [Note 24]	(537,920)	649,045
Central Items [Note 24]	(1,774,003)	4,000
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund [Note 25]	1,742,747	(2,349,819)
Social Welfare Development Fund [Note 26]	749,527	(716,546)
SWD Allocation-One-Off Subsidy [Note 27]	(743,264)	-
Small Enterprise Fund (SWD) [Note 28]	1,049,461	539,820
Net amount transfer	<u>78,784,262</u>	<u>(6,888,598)</u>
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TRANSFER [Note 12]	84,776,345	(3,131,975)
RESERVED FUND BROUGHT FORWARD	<u>6,128,001</u>	<u>9,259,976</u>
RESERVED FUND CARRIED FORWARD	<u>90,904,346</u>	<u>6,128,001</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES FOR THE YEAR ENDED 31st MARCH 2020

	DESIGNATED FUND										DESIGNATE D FUND TOTAL
	Reserved Fund	Investment Revaluation Reserve	Fund for Ching Kong House	Staff Welfare and Development Fund	Service Users' and Families' Welfare and Charitable Fund	Flag Day Fund	Production Floating Fund	Fundraising Campaign Fund	Dr. Wu Wai Yung Fund	Dr. Stella Liu Fund	Mrs. Esther De Souza Fund
Balance at 31st March 2018	9,259,976	(90,733)	2,471,382	2,751,021	1,470,981	11,437,047	79,734,485	875,907	3,227,063	1,894,742	2,724,393
Surplus for the year ended 31st March 2019	3,756,623	-	-	-	-	-	-	-	-	-	-
Grants for Small Enterprise Fund (SWD)	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of investments	(544,799)	(544,799)	-	-	-	-	-	-	-	-	-
Total comprehensive income/(expense) for the year ended 31st March 2019	3,756,623	(544,799)	-	-	-	-	-	-	-	-	-
Transfer	(6,888,598)	90,733	139,603	362,262	-	46,557	2,517,220	-	(81,774)	23,872	52,440
Balance as at 31st March 2019	6,128,001	(544,799)	2,610,985	3,115,283	1,470,981	11,483,604	82,252,005	875,907	3,145,289	1,918,614	2,776,833
Surplus for the year ended 31st March 2020	5,992,083	-	-	-	-	-	-	-	-	-	-
Grants for Small Enterprise Fund (SWD)	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of investments	(1,875,344)	(1,875,344)	-	-	-	-	-	-	-	-	-
Total comprehensive income/(expense) for the year ended 31st March 2020	5,992,083	(1,875,344)	-	-	-	-	-	-	-	-	-
Transfer	78,784,262	-	(2,610,985)	757,067	134,911	(1,597,266)	(82,252,005)	(875,907)	(281,478)	26,815	(2,776,833)
Balance as at 31st March 2020	90,904,346	(2,420,143)	-	3,872,350	1,605,892	9,886,338	-	-	2,863,811	1,945,429	-

	SUBVENTION ACCOUNT										DESIGNATE D FUND TOTAL
	Lump Sum Grant Reserve Fund	Provident Fund Reserve (Non-snapshots staff)	Provident Fund Reserve (Non-snapshots staff)	Social Welfare Subvention Surpluses - Rent & rates	Social Welfare Subvention Surpluses - Central Items surpluses	Equipment Replenishment and Minor Works Block Grant Reserve	Social Welfare Development Fund	SWD Allocation- One-Off Subsidy	Small Enterprise Fund (SWD)	SUBVENTIO N ACCOUNT TOTAL	DESIGNATE D FUND TOTAL
Balance at 31st March 2018	138,134,650	2,041,816	26,369,633	(1,960,744)	354,125	4,809,385	1,016,466	-	2,141,377	172,906,408	115,758,264
Surplus for the year ended 31st March 2019	-	-	-	-	-	-	-	-	-	-	3,756,623
Grants for Small Enterprise Fund (SWD)	-	-	-	-	-	-	-	-	322,519	322,519	322,519
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	(544,799)
Total comprehensive income for the year ended 31st March 2019	-	-	-	-	-	-	-	-	-	-	-
Transfer	(54,221)	(645,456)	2,563,562	(649,045)	(4,000)	2,349,819	716,346	-	(539,820)	3,737,985	3,211,824
Balance as at 31st March 2019	138,080,429	1,396,360	28,932,995	(2,609,789)	350,125	7,159,104	1,733,012	-	1,924,076	176,966,312	115,232,703
Surplus for the year ended 31st March 2020	-	-	-	-	-	-	-	-	-	-	5,992,083
Grants for Small Enterprise Fund (SWD)	-	-	-	-	-	-	-	-	34,385	34,385	34,385
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-	(1,875,344)
Total comprehensive income for the year ended 31st March 2020	-	-	-	-	-	-	-	-	-	-	-
Transfer	7,801,570	99,765	3,276,372	537,920	1,774,003	(1,742,747)	(749,527)	743,264	(1,049,461)	10,691,359	4,116,739
Balance as at 31st March 2020	145,881,999	1,496,125	32,209,367	(2,071,869)	3,124,128	5,416,357	983,485	743,264	909,600	197,697,666	108,658,083

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED CASH FLOW STATEMENT **FOR THE YEAR ENDED 31ST MARCH 2020**

	<u>2020</u> HK\$	<u>2019</u> HK\$
<i>Cash flows from operating activities</i>		
Surplus before taxation	5,666,198	3,663,526
Grants for Small Enterprises Fund	<u>34,385</u>	<u>322,519</u>
	5,700,583	3,986,045
Adjustments for:		
Interest income on bank deposits	(4,376,355)	(3,405,451)
Interest income on bond investments	-	(6,621)
Dividend income on marketable investments	(251,723)	(386,801)
Loss on disposal of marketable investments	-	152,967
Impairment loss on investments	-	58,011
Depreciation on property, plant and equipment	9,290,936	8,718,106
Loss on disposal of property, plant and equipment	<u>21,537</u>	<u>19,456</u>
Operating surplus before working capital changes	10,384,978	9,135,712
(Increase)/Decrease in:		
Inventories	(438,800)	(130,382)
Accounts and other receivables	(3,307,932)	(17,477,920)
Increase in creditors and accruals	<u>3,037,336</u>	<u>1,518,962</u>
	9,675,582	(6,953,628)
Net profits tax refunded	<u>250,420</u>	-
Net cash from/(used in) operating activities	9,926,002	(6,953,628)
<i>Cash flows from investing activities</i>		
Interest received on bank deposits	4,333,686	3,172,560
Interest received on bond investments	-	7,126
Maturity of bond	-	1,000,000
Dividends received	114,209	381,886
Proceeds on disposal of marketable investments	-	587,850
Payment on purchase of property, plant and equipment	(7,297,106)	(8,017,892)
Net increase in bank deposits of more than 3 months to maturity from date of deposit	<u>27,811,059</u>	<u>(12,543,686)</u>
Net cash from/(used in) investing activities	24,961,848	(15,412,156)
Net increase/(decrease) in cash and cash equivalents	<u>34,887,850</u>	<u>(22,365,784)</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED CASH FLOW STATEMENT **FOR THE YEAR ENDED 31ST MARCH 2020**

(continued)

	<u>2020</u> HK\$	<u>2019</u> HK\$
Net increase/(decrease) in cash and cash equivalents	34,887,850	(22,365,784)
Cash and cash equivalents at beginning of year	<u>33,035,810</u>	<u>55,401,594</u>
Cash and cash equivalents at end of year	<u><u>67,923,660</u></u>	<u><u>33,035,810</u></u>
Analysis of balances of cash and cash equivalents		
Time deposits with bank	175,847,410	199,951,164
Bank and cash balances	<u>62,923,660</u>	<u>31,743,115</u>
	238,771,070	231,694,279
Time deposits of more than 3 months to maturity from date of deposit	<u>(170,847,410)</u>	<u>(198,658,469)</u>
	<u><u>67,923,660</u></u>	<u><u>33,035,810</u></u>
	0	
<i>Non-cash transactions:</i>		
During the year the Group received scrip dividends in lieu of cash dividends of	<u><u>230,517</u></u>	<u><u>217,748</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

1. General

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

The Group consists of the Association and its wholly-owned subsidiary company of which the particulars are set out in note 36(b) to the financial statements. The Group's principal activities are to establish and carry on residential, vocational rehabilitation, employment and job training, social enterprises, family support, self-help and mutual help, mental health promotion and prevention, community mental health services or any such projects on a non-profit making basis for people with mental illness, their families and the general public.

2. Basis of preparation and accounting policies

(a) *Statement of compliance*

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

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

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

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

(c) *Revenue recognition*

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

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

2. Basis of preparation and accounting policies (continued)

(c) Revenue recognition (continued)

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

(d) Foreign currencies

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

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

(e) Impairment losses

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

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

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

2. Basis of preparation and accounting policies (continued)

(f) *Designated Funds*

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

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

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

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

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

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

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

(h) *Leases*

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

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

(i) *Financial instruments*

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

2. Basis of preparation and accounting policies (continued)

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

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

(k) *Inventories*

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

(l) *Account and other receivables*

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

(m) *Cash and cash equivalents*

For the purposes of the cash flow statement, 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 2020

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 charging the following:-

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Auditors' remuneration	259,162	220,480
Staff costs	335,589,437	309,871,010
Depreciation on property, plant and equipment	9,290,936	8,718,106
Loss on disposal of property, plant and equipment	21,537	19,456
Rent under operating leases	15,950,374	14,819,698

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 [2019 - 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 [2019 - Same].

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2020***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 [2019 - no assessable profits after set off against available tax losses brought forward].

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

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

	<u>2020</u> HK\$	<u>2019</u> HK\$
Deficit before taxation	<u>(4,169,711)</u>	<u>(1,856,737)</u>
Applied tax rate	<u>16.50%</u>	<u>16.50%</u>
Tax on deficit before taxation	(688,000)	(306,000)
Over-provision in respect of previous years	(325,885)	(93,097)
Tax effect of:		
Expenses that are not deductible for taxation purposes	229,000	102,000
Unrecognised temporary differences	248,000	379,000
Unrecognised tax loss	<u>211,000</u>	<u>(175,000)</u>
	<u>(325,885)</u>	<u>(93,097)</u>

At the reporting date, the subsidiary company has unused tax losses and deductible temporary differences of HK\$1,412,000 and HK\$6,537,000 [2019 - HK\$134,000 and HK\$8,042,000] 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 2020

6. Property, plant and equipment

	Land and Buildings HK\$	Construction and fitting out HK\$	Furniture and Equipment HK\$	Motor Vehicle HK\$	Computer HK\$	Total HK\$
<i>At cost</i>						
At 31st March 2019	2	16,540,072	26,065,133	3,543,770	7,668,274	53,817,251
Additions	-	197,200	4,776,662	845,494	1,477,750	7,297,106
Disposal	-	-	(141,370)	-	-	(141,370)
At 31st March 2020	2	16,737,272	30,700,425	4,389,264	9,146,024	60,972,987
<i>Accumulated depreciation</i>						
At 31st March 2019	-	(13,364,070)	(19,463,744)	(1,029,859)	(5,835,450)	(39,693,123)
Charge for the year	-	(2,540,020)	(4,817,929)	(613,345)	(1,319,642)	(9,290,936)
Written back on disposal	-	-	89,837	-	-	89,837
At 31st March 2020	-	(15,904,090)	(24,191,836)	(1,643,204)	(7,155,092)	(48,894,222)
<i>Net book value</i>						
At 31st March 2020	2	833,182	6,508,589	2,746,060	1,990,932	12,078,765
At 31st March 2019	2	3,176,002	6,601,389	2,513,911	1,832,824	14,124,128

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

The Association's premises are located at:

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

7. Equity investments at fair value through other comprehensive income

	2020 HK\$	2019 HK\$
Hong Kong listed securities	5,637,711	7,282,538

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2020***8. Account and other receivables**

	<u>2020</u> HK\$	<u>2019</u> HK\$
Contract deposits	6,581,044	10,214,944
Accounts receivable	12,218,401	9,795,683
Rental deposits	1,824,107	1,748,816
Utility deposits	1,992,962	1,903,149
Sundry deposits	135,498	172,811
Prepayments	7,751,702	7,035,775
Dividend receivable	-	93,003
Interest receivable	796,441	753,772
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	10,819,477	7,599,525
On-site Training Programme	548,016	367,140
Intensive Employment Assistance Project Community Care Fund	-	14,394
Queen Elizabeth Foundation for the Mentally Handicapped	29,305	-
Hong Kong Jockey Club Charities Trust	29,384,182	27,614,099
Community Chest	143,616	182,766
Community Investment and Inclusion Fund	-	417,956
Kwai Tsing Community Green Station	-	710,469
Mindset project	-	364,778
Environment and Conservation Fund	337,973	316,046
	<u>72,563,724</u>	<u>69,306,126</u>

9. Time deposits with banks

	<u>2020</u> HK\$	<u>2019</u> HK\$
Funds from :		
Social Welfare Subvention Reserve Funds	144,492,916	141,375,990
Other Funds	31,354,494	58,575,174
Total time deposits with banks	<u>175,847,410</u>	<u>199,951,164</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

9. Time deposits with banks (continued)

	<u>2020</u> HK\$	<u>2019</u> HK\$
<i>Analysis:</i>		
Time deposits of less than 3 months to maturity from date of deposit	5,000,000	1,292,695
Time deposits of more than 3 months to maturity from date of deposit	<u>170,847,410</u>	<u>198,658,469</u>
	<u><u>175,847,410</u></u>	<u><u>199,951,164</u></u>

10. Creditors and accruals

	<u>2020</u> HK\$	<u>2019</u> HK\$
Accounts payable	1,937,372	2,852,556
Accruals	7,547,163	6,281,880
Other payables	4,081,131	3,112,536
Receipt in advance (included temporary credit)	536,558	921,309
Deferred income	6,652,533	5,185,249
Deposits of clients (for keys and lockers)	104,988	101,550
Rental deposits - Ching Kung House	41,000	41,000
Other deposits received	1,635,820	1,587,100
Accounts with:		
Lotteries Fund (WI-FI Project) [Note 35]	1,405,363	-
Integrated Employment Assistance Programme for Self-reliance	247,500	354,141
Chow Tai Fook Charity Foundation	3,940,306	4,651,284
Janssen HK	364,430	304,710
Enhancing Employment of People with Disabilities through Small Enterprises Project	7,130	19,489
Employees Retraining Board Fund	284,147	176,215
Partnership Fund	-	17,696
Queen Elizabeth Foundation for Mentally Handicapped	-	8,066
UPS Foundation	75,089	75,089
Food Sharing Project	534,150	311,242
Contribution	3,631,761	5,173,055
Community Investment and Inclusion Fund	281,257	-
Community Green Station	806,998	-
Mindset Project	<u>66,811</u>	<u>-</u>
	<u><u>34,181,507</u></u>	<u><u>31,174,167</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

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>2020</u> HK\$	<u>2019</u> HK\$
<i>Assets</i>		
Furniture and equipment ^(Remark)	-	-
Utility and other deposits	17,800	17,800
Prepayment	-	1,904
Cash balances	206,172	189,273
<i>Liabilities</i>		
Other payables and accrued charges	(9,310)	(6,947)
Tenants' deposits	<u>(68,578)</u>	<u>(68,578)</u>
<i>Net assets</i>	<u><u>146,084</u></u>	<u><u>133,452</u></u>

Remark: Movements in furniture and equipment

	<u>HK\$</u>
<i>Cost</i>	
At 31st March 2019 and 2020	5,270
<i>Accumulated depreciation</i>	
At 31st March 2019 and 2020	<u>(5,270)</u>
<i>Net book value</i>	
At 31st March 2019 and 2020	<u><u>-</u></u>

12. Reserved Fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	6,128,001	9,259,976
Movements during the year		
Surplus for the year	<u>5,992,083</u>	<u>3,756,623</u>
Transfer from/(to) various funds and reserves	<u>78,784,262</u>	<u>(6,888,598)</u>
Surplus/(Deficit) for the year after transfer ^{Remark 1}	<u>84,776,345</u>	<u>(3,131,975)</u>
Balance at end of year	<u><u>90,904,346</u></u>	<u><u>6,128,001</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

12. Reserved Fund (continued)

<i>Remark 1 :</i>	<u>2020</u> HK\$	<u>2019</u> HK\$
Surplus/(Deficit) for the year after transfer represents:		
Surplus/(Deficit) from subvented units [Note 31]	105,181	84,173
Deficit from Community Chest allocation	(536,334)	(391,863)
Deficit from self financed units/projects	(2,779,596)	(3,122,535)
Deficit from subsidiary company	(3,843,826)	(1,763,640)
Surplus from production of shelter workshops and supported employment service	567,720	-
Surplus from Ching Kung House	215,594	-
Transfer from Small Enterprise Fund (SWD) [Note 28]	1,049,461	539,820
Transfer from Fund for Ching Kung House [Note 14]	2,610,985	-
Transfer from Production Floating Fund [Note 18]	82,252,005	-
Transfer from Fundraising Campaign Fund [Note 19]	875,907	-
Transfer from Mrs Esther De Sousa Fund [Note 22]	2,776,833	-
Interest income on time deposits/bond investments	1,400,436	953,597
Dividend income	251,723	386,801
Impairment loss on available-for-sale investments	-	(58,011)
(Loss)/Gain on foreign exchange on time deposits for Reserve Fund	(169,744)	330,416
Cumulative loss of disposed investments transfer to Reserve Fund	-	(90,733)
	<u>84,776,345</u>	<u>(3,131,975)</u>

13. Investment Revaluation Reserve

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	(544,799)	(90,733)
Movements during the year		
Change in fair value of investments	(1,875,344)	(544,799)
Cumulative loss of disposed investments transfer from Reserve Fund	-	90,733
Balance at end of year	<u>(2,420,143)</u>	<u>(544,799)</u>

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2020***14. Fund for Ching Kung House**

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	2,610,985	2,471,382
Movements during the year		
Operating income (rental income)	-	228,987
Direct expenses		
Rent and rates	-	(7,577)
Administration expenses	-	(64,290)
Other expenses (utilities, repairs and maintenance)	-	(17,517)
Amount transferred (to)/from Reserved Fund	<u>(2,610,985)</u>	<u>139,603</u>
Balance at end of year	<u>-</u>	<u>2,610,985</u>

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

15. Staff Welfare and Development Fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	3,115,283	2,753,021
Movements during the year		
Operating income	757,067	362,262
Direct expenses	-	-
Amount transferred from Reserved Fund	<u>757,067</u>	<u>362,262</u>
Balance at end of year	<u>3,872,350</u>	<u>3,115,283</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 2020

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

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning and at end of year	1,470,981	1,470,981
Movements during the year		
Operating income	152,016	-
Direct expenses	(17,105)	-
Amount transferred from Reserved Fund	134,911	-
Balance at end of year	<u>1,605,892</u>	<u>1,470,981</u>

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

17. Flag Day Fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	11,483,604	11,437,047
Movements during the year		
Flag day income net of expenditure ^{Remark 1}	-	1,473,629
(Deficit)/Surplus from Jockey Club New Life Institute/ Public Education ^{Remark 2}	(313,071)	(84,635)
Asia Pacific Accessible Art Festival 2019	(26,795)	(120,098)
Happy ageing 330-Older Adult Project ^{Remark 3}	(1,252,015)	(508,364)
New Life 330 - second phase of audio track, mobile applications & webpage works ^{Remark 4}	-	(567,726)
New Life 330 project	(5,325)	(146,369)
Miscellaneous receipts	-	120
Amount transferred (to)/from Reserved Fund	<u>(1,597,206)</u>	<u>46,557</u>
Balance at end of year	<u>9,886,398</u>	<u>11,483,604</u>

Remark :

(1) Flag day income net of expenditure :

Donation	-	1,599,595
Expenditure	-	(125,966)
Amount using for :		
Upgrading work for mobile application and website, promotion of mobile applications and webpage and human resources expenditure ^{Remark 5}	-	1,473,629

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

17. Flag Day Fund (continued)

Remark :	<u>2020</u> HK\$	<u>2019</u> HK\$
(2) Deficit from Jockey Club New Life Institute/Public Education :		
Operating income from Jockey Club New Life Institute (dues and fees, rental income and miscellaneous receipts)	2,335,303	2,109,606
Mental health promotion programme	-	71,874
Direct expenses		
Personnel emoluments	(582,573)	(386,982)
Administration and programme expenses	(1,452,087)	(1,340,615)
Rent and rates	(131,205)	(131,150)
Other expenses (utilities, stores and equipment, transportation and miscellaneous expenses)	(482,509)	(330,100)
Mental health promotion programme	-	(77,268)
	<u>(313,071)</u>	<u>(84,635)</u>
(3) Happy ageing 330-Older Adult Project :		
Usage of Net Proceeds of 2015/16 Flag Day :		
Balance at beginning of year	761,898	1,270,262
Utilization	<u>(761,898)</u>	<u>(508,364)</u>
Balance at end of year	<u>-</u>	<u>761,898</u>
Usage of Net Proceeds of 2016/17 Flag Day :		
Balance at beginning of year	1,505,195	1,505,195
Utilization	<u>(490,117)</u>	<u>-</u>
Balance at end of year	<u>1,015,078</u>	<u>1,505,195</u>
(4) New Life 330 - second phase of audio track, mobile applications & webpage works :		
Usage of Net Proceeds of 2017/18 Flag Day		
Balance at beginning of year	1,137,330	1,705,056
Utilization	<u>-</u>	<u>(567,726)</u>
Balance at end of year	<u>1,137,330</u>	<u>1,137,330</u>
(5) Upgrading work for mobile application and website, promotion of mobile applications and webpage and human resources expenditure :		
Usage of Net Proceeds of 2018/19 Flag Day		
Balance at beginning of year	1,473,629	-
Net Proceeds received	<u>-</u>	<u>1,473,629</u>
Balance at end of year	<u>1,473,629</u>	<u>1,473,629</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

18. Production Floating Fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	82,252,005	79,734,485
Movements during the year		
Operating income	-	90,797,313
Direct expenses	-	(88,279,793)
Amount transferred (to)/from Reserved Fund	<u>(82,252,005)</u>	<u>2,517,520</u>
Balance at end of year	<u>-</u>	<u>82,252,005</u>

Reserves of each of the services units at end of year:

Kwai Shing Workshop	-	3,231,615
Shek Pai Wan Integrated Work Centre	-	2,868,256
Tin King Workshop	-	2,811,969
Chuk Yuen Integrated Work Centre	-	6,364,574
New Life Building Workshop	-	8,935,766
New Life Farm Sheltered Workshop	-	6,516,619
Supported Employment Projects	-	48,913,589
Tuen Mun Long Stay Care Home	-	1,327,447
New Life Building Long Stay Care Home	-	684,589
Tuen Mun Training Activity Centre (Revamped to The Wellness Centre-Tuen Mun from Oct 2010)	-	310,201
New Life Building Training Activity Centre (Revamped to The Wellness Centre-Sham Shui Po from Oct 2010)	-	287,380
	<u>-</u>	<u>82,252,005</u>

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

19. Fundraising Campaign Fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	875,907	875,907
Amount transferred to Reserved Fund	<u>(875,907)</u>	<u>-</u>
Balance at end of year	<u>-</u>	<u>875,907</u>

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2020***20. Dr. Wu Wai Yung Fund**

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	3,145,289	3,227,063
Movements during the year		
Operating income	106,182	189,171
Direct expenses	(4,121)	(59,043)
Interest income on time deposits	25,913	35,074
Loss on foreign exchange	(409,452)	(246,976)
Amount transferred to Reserved Fund	<u>(281,478)</u>	<u>(81,774)</u>
Balance at end of year	<u><u>2,863,811</u></u>	<u><u>3,145,289</u></u>

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

21. Dr. Stella Liu Fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	1,918,614	1,894,742
Movements during the year		
Interest income on time deposits	26,815	23,872
Amount transferred from Reserved Fund	<u>26,815</u>	<u>23,872</u>
Balance at end of year	<u><u>1,945,429</u></u>	<u><u>1,918,614</u></u>

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

22. Mrs. Esther De Sousa Fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	2,776,833	2,724,393
Movements during the year		
Interest income on time deposits	<div style="border: 1px solid black; padding: 2px;">-</div>	<div style="border: 1px solid black; padding: 2px;">52,440</div>
Amount transfer (to)/from Reserved Fund	<u>(2,776,833)</u>	<u>52,440</u>
Balance at end of year	<u><u>-</u></u>	<u><u>2,776,833</u></u>

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

23. Lump Sum Grant Reserve and Provident Fund Reserve

	<u>Lump Sum Grant Reserve</u>	<u>Provident Fund Reserve</u>		
		<u>Provident Fund Reserve (Snapshot staff)</u>	<u>Provident Fund Reserve - (Non-snapshot staff)</u>	<u>Total</u>
	HK\$	HK\$	HK\$	HK\$
Balance at 31st March 2018	138,134,650	2,041,816	26,369,433	28,411,249
Movements during the year				
Grant received	<div style="border: 1px solid black; padding: 2px;">303,008,971</div>	<div style="border: 1px solid black; padding: 2px;">8,444,908</div>	<div style="border: 1px solid black; padding: 2px;">15,645,354</div>	<div style="border: 1px solid black; padding: 2px;">24,090,262</div>
Personnel emolument/OC/PF net fee/ other income	<div style="border: 1px solid black; padding: 2px;">(305,342,828)</div>	<div style="border: 1px solid black; padding: 2px;">(7,826,623)</div>	<div style="border: 1px solid black; padding: 2px;">(13,399,108)</div>	<div style="border: 1px solid black; padding: 2px;">(21,225,731)</div>
Interest income on time deposits	<div style="border: 1px solid black; padding: 2px;">2,304,836</div>	<div style="border: 1px solid black; padding: 2px;">-</div>	<div style="border: 1px solid black; padding: 2px;">-</div>	<div style="border: 1px solid black; padding: 2px;">-</div>
Amount transferred from/(to) Reserved Fund	<div style="border: 1px solid black; padding: 2px;">(29,021)</div>	<div style="border: 1px solid black; padding: 2px;">618,285</div>	<div style="border: 1px solid black; padding: 2px;">2,246,246</div>	<div style="border: 1px solid black; padding: 2px;">2,864,531</div>
Amount refunded to Government	<div style="border: 1px solid black; padding: 2px;">(25,200)</div>	<div style="border: 1px solid black; padding: 2px;">(1,263,741)</div>		<div style="border: 1px solid black; padding: 2px;">(1,263,741)</div>
Additional subvention received for previous year	<div style="border: 1px solid black; padding: 2px;">-</div>	<div style="border: 1px solid black; padding: 2px;">-</div>	<div style="border: 1px solid black; padding: 2px;">317,316</div>	<div style="border: 1px solid black; padding: 2px;">317,316</div>
	<u>(54,221)</u>	<u>(645,456)</u>	<u>2,563,562</u>	<u>1,918,106</u>
Balance at 31st March 2019	<u><u>138,080,429</u></u>	<u><u>1,396,360</u></u>	<u><u>28,932,995</u></u>	<u><u>30,329,355</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

23. Lump Sum Grant Reserve and Provident Fund Reserve (continued)

	Lump Sum Grant Reserve	Provident Fund Reserve		
		Provident Fund Reserve (Snapshot staff)	Provident Fund Reserve - (Non-snapshot staff)	Total
	HK\$	HK\$	HK\$	HK\$
Balance at 31st March 2019	138,080,429	1,396,360	28,932,995	30,329,355
Movements during the year				
Grant received	345,198,096	8,369,230	18,324,976	26,694,206
Personnel emolument/OC/PF net fee/other income	(340,278,019)	(7,455,246)	(15,221,598)	(22,676,844)
Interest income on time deposits	2,881,493	-	-	-
Amount transferred from Reserved Fund	7,801,570	913,984	3,103,378	4,017,362
Amount refunded to Government	-	(814,219)	-	(814,219)
Additional subvention received for previous year(s)	-	-	173,194	173,194
	7,801,570	99,765	3,276,572	3,376,337
Balance at 31st March 2020	145,881,999	1,496,125	32,209,567	33,705,692

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

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

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

- Adjusting the PF contribution rates or giving a one-off additional contribution to staff so as to enhance staff retention, effective 1st April 2015.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

24. Social Welfare Subvention Surplus

	<u>Rent and Rates</u> HK\$	<u>Central Items</u> HK\$	<u>Total</u> HK\$
Balance at 31st March 2018	(1,960,744)	354,125	(1,606,619)
Movements during the year			
Grant received	12,710,654	-	12,710,654
Amount repaid to Government	(3,467)	-	(3,467)
Rent and rates paid	(13,356,232)	-	(13,356,232)
Central items paid	-	(4,000)	(4,000)
	<u>(649,045)</u>	<u>(4,000)</u>	<u>(653,045)</u>
Balance at 31st March 2019	(2,609,789)	350,125	(2,259,664)
Movements during the year			
Grant received	14,988,394	3,719,676	18,708,070
Amount repaid to Government	(18,417)	-	(18,417)
Rent and rates paid	(14,432,057)	-	(14,432,057)
Central items paid	-	(1,945,673)	(1,945,673)
Amount transferred from Reserved Fund	<u>537,920</u>	<u>1,774,003</u>	<u>2,311,923</u>
Balance at 31st March 2020	<u>(2,071,869)</u>	<u>2,124,128</u>	<u>52,259</u>

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

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	7,159,104	4,809,285
Movements during the year		
Grant received	5,185,000	4,720,000
Miscellaneous receipts	120,000	-
Interest income on time deposits	38,825	24,187
Payment for:		
Minor works projects	(5,565,032)	(1,491,250)
Furniture and equipment	(1,521,540)	(903,118)
Amount transferred (to)/from Reserved Fund	<u>(1,742,747)</u>	<u>2,349,819</u>
Balance at end of year	<u>5,416,357</u>	<u>7,159,104</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

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

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

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

26. Social Welfare Development Fund

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

	<u>2020</u> HK\$	<u>2019</u> HK\$
a) SWDF Phase 2		
Balance at beginning of year	-	39,171
Movements during the year		
Grant received	-	-
Interest on time deposits	-	-
Payment for		
1) Expenditure for projects under scope A	-	-
2) Expenditure for projects under scope B	-	-
3) Expenditure for projects under administrative support	-	-
Amount refunded to Government	-	(39,171)
Amount transferred to Reserved Fund ^{Remark}	-	(39,171)
Balance at end of year	-	-
b) SWDF Phase 3		
Balance at beginning of year	1,733,012	977,295
Movements during the year		
Grant received	190,000	2,113,600
Interest on time deposits	1,916	17,616
Payment for		
1) Expenditure for projects under scope A	830	(646,748)
2) Expenditure for projects under scope B	(840,773)	(659,976)
3) Expenditure for projects under scope C	(101,500)	-
4) Expenditure for projects under administrative support	-	(68,775)
Amount transferred from/(to) Reserved Fund ^{Remark}	(749,527)	755,717
Balance at end of year	983,485	1,733,012
Total at end of year	983,485	1,733,012
Remark:		
Net amount transferred from/(to) Reserved Fund	(749,527)	716,546

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

27. SWD Allocation-One-Off Subsidy

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	-	-
Movements during the year		
Grant income	1,505,160	-
Direct expenses	(761,896)	-
Amount transferred from Reserved Fund	743,264	-
Balance at end of year	743,264	-

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

28. Small Enterprise Fund (SWD)

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

<u>Projects</u>	<u>Balance brought forward</u> HK\$	<u>Grant received</u> HK\$	<u>Transferred to Reserved Fund</u> HK\$	<u>Balance carried forward</u> HK\$
2020				
Café 330 - CMC	792,174	-	(384,575)	407,599
Delight Kitchen	257,393	-	(131,452)	125,941
Drinks 330	681,309	34,385	(436,834)	278,860
Café 330 - CU	179,582	-	(89,791)	89,791
Café 330 - HKU	13,618	-	(6,809)	6,809
	<u>1,924,076</u>	<u>34,385</u>	<u>(1,049,461)</u>	<u>909,000</u>
2019				
Café 330 - CMC	772,653	-	19,521	792,174
Delight Kitchen	(11,509)	300,607	(31,705)	257,393
Drinks 330	1,086,158	21,912	(426,761)	681,309
Café 330 - PWH	2,992	-	(2,992)	-
Café 330 - CU	270,656	-	(91,074)	179,582
Café 330 - HKU	20,427	-	(6,809)	13,618
	<u>2,141,377</u>	<u>322,519</u>	<u>(539,820)</u>	<u>1,924,076</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 2020

29. Property management reserve held on behalf of MINDSET Place

	<u>2020</u> HK\$	<u>2019</u> HK\$
<i>Income for the year ended 31st March</i>		
Building management fees	191,016	191,016
Interest income	<u>109</u>	<u>75</u>
	191,125	191,091
<i>Expenditure for the year ended 31st March</i>		
Administration expenses		
Insurance	(12,745)	(6,927)
Personnel emolument	(31,390)	(60,774)
Staff Wellness expenses	(887)	(2,265)
Printing and stationery	-	(666)
Administration expenses	(10,090)	(8,382)
Miscellaneous expenses	-	(775)
Utilities	(25,487)	(24,537)
Repairs and maintenance	<u>(97,894)</u>	<u>(61,978)</u>
	<u>(178,493)</u>	<u>(166,304)</u>
<i>Surplus for the year ended 31st March</i>	12,632	24,787
<i>Accumulated surplus brought forward</i>	<u>133,452</u>	<u>108,665</u>
<i>Accumulated surplus carried forward</i>	<u><u>146,084</u></u>	<u><u>133,452</u></u>

30. Lotteries Fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
a) <i>Procurement of Furniture and Equipment:</i>		
The Wellness Centre - Shatin	265,917	4,000
The Wellness Centre - Kwai Chung	378,388	32,930
Mobile Van for Publicity Service on Mental Wellness	44,388	-
Shek Pai Wan Integrated Work Centre	48,545	-
Chuk Yuen Integrated Work Centre	48,545	-
New Life Building Sheltered Workshop	48,545	-
Supported Centre for Persons with Autism	179,803	-
Kwai Shing Sheltered Workshop	48,545	(16,909)
Tin King Sheltered Workshop	97,090	(17,909)
Work Extension Programme	-	2,931
	<u>1,159,766</u>	<u>5,043</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

30. Lotteries Fund (continued)

	<u>2020</u> HK\$	<u>2019</u> HK\$
b) <i>Fitting-out Works:</i>		
New Life Building Management Office	-	627,424
Pok Hong Halfway House	-	593,376
Tin Yuet Halfway House	-	30,042
Chuk Yuet Halfway House	936,415	-
New Life Building Halfway House I	33,481	-
New Life Building Halfway House II	23,305	-
New Life Building Halfway House III	-	10,317
Jockey Club Farm House	426,295	1,454,266
Tin King Hostel	161,933	-
Joyous Place	721,305	-
Tuen Mun Long Stay Care Home	-	428,574
Supported Centre for Persons with Autism	18,750	-
Mindset Place	161,400	-
The Wellness Centre - Tuen Mun	-	337,406
The Wellness Centre - Shatin	2,415,594	834,063
The Wellness Centre - Islands	985,400	60,090
The Wellness Centre - Kwai Chung	3,278,158	2,991,327
	<u>9,162,036</u>	<u>7,366,885</u>
c) <i>Pilot project on PSW in Community Service</i>		
Agency-based community services	(674)	-
d) <i>Undertake Fire Safety/Building Safety Rectification Measures:</i>		
Sun Chui Halfway House	631,750	28,000
Pok Hong Halfway House	203,473	53,068
Tin Yuet Halfway House	-	4,500
Shan King Halfway House	853,798	39,500
Shek Lei Halfway House	312,000	-
Chuk Yuet Halfway House	39,000	78,000
Lei Tung Halfway House	597,272	42,000
Jockey Club Farm House	-	88,920
New Life Jubilee House	1,027,143	-
Tin King Hostel	39,200	861,413
New Life Building Halfway House I	2,200	-
New Life Building Halfway House II	1,800	-
New Life Building Halfway House III	11,918	-
Tuen Mun Long Stay Care Home	3,998,039	140,428
Yuet Wo House	2,515,997	-
Yi Yuet Hin	1,399,892	69,750
Mindset Place	2,297,427	-
New Life Building Long Stay Care Home	3,795,145	172,754
	<u>17,726,054</u>	<u>1,578,333</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

30. Lotteries Fund (continued)

	<u>2020</u> HK\$	<u>2019</u> HK\$
e) <i>Procurement of Vehicle:</i>		
Chuk Yuen Integrated Work Centre	<u>322,832</u>	<u>-</u>
	<u>28,370,014</u>	<u>8,950,261</u>

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

At 31st March 2020, the outstanding commitments in respect of the Lotteries Fund Block Grant and the Lotteries Fund Project Grant are as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Contracted for but not provided in the financial statement in respect of:		
Lotteries Fund Block Grant	-	-
Lotteries Fund Project Grant	<u>1,758,421</u>	<u>2,245,229</u>
	<u>1,758,421</u>	<u>2,245,229</u>

31. Transfer of surpluses social welfare subvention

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

SURPLUS / (DEFICIT) FROM SUBVENTED SERVICE UNITS

	<u>2020</u> HK\$	<u>2019</u> HK\$
Central Administration		
Central Administration Expenses	<u>353,199</u>	<u>39,010</u>
Management Office at New Life Building	<u>(38,871)</u>	<u>75,570</u>
	<u>314,328</u>	<u>114,580</u>
Workshops and Hostels		
Sun Chui Halfway House	<u>(115)</u>	<u>12</u>
Pok Hong Halfway House	<u>(128)</u>	<u>13</u>
Tin Yuet Halfway House	<u>(133)</u>	<u>10</u>
Shan King Halfway House	<u>(126)</u>	<u>12</u>
Shek Lei Halfway House	<u>(134)</u>	<u>13</u>
Chuk Yuen Halfway House	<u>(143)</u>	<u>14</u>
Balance of Workshops and Hostels carried down	<u>(779)</u>	<u>74</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

31. Transfer of surpluses social welfare subvention (continued)

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

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Workshops and Hostels		
Balance of Workshops and Hostels brought down	(779)	74
Lei Tung Halfway House	(152)	14
New Life Building Halfway House (I)	(138)	(216)
New Life Building Halfway House (II)	71	11
New Life Building Halfway House (III)	(160)	14
Jockey Club Farm House	(191)	17
Community Psychiatric Service Units	(1,183)	(651)
New Life Jubilee Hostel	(206)	6,016
Tin King Hostel	(178)	16
Joyous Place	920	887
Tuen Mun Long Stay Care Home	(1,139)	156
New Life Building Long Stay Care Home	11,053	(357)
Mobile Van for Publicity Service on Mental Wellness	(2)	-
The Wellness Centre - Sham Shui Po	(4,464)	(10,835)
The Wellness Centre - Tuen Mun	15,549	3,815
The Wellness Centre - Shatin	4,119	4,396
The Wellness Centre - Tin Shui Wai	8,318	(5,067)
The Wellness Centre - Kwai Chung	(77,533)	(5,246)
The Wellness Centre - Yau Tsim Mong	4,642	3,816
The Wellness Centre - Islands	4,158	5,696
Kwai Shing Sheltered Workshop	14,988	26,993
Shek Pai Wan Integrated Work Centre	1,733	4,805
Tin King Sheltered Workshop	13,027	19,104
Chuk Yuen Integrated Work Centre	(3,229)	34,701
New Life Building Sheltered Workshop	18,417	(4,466)
New Life Farm Sheltered Workshop	(51,750)	(65,282)
Agency-Based Vocational Support	5,183	2
Work Extension Programme	(54)	(2,688)
Supported Centre for Persons with Autism	(74)	-
Supported Employment Service	(170,063)	(46,134)
On the Job Training Programme	(30)	2
	<u>(209,147)</u>	<u>(30,407)</u>
	<u>105,181</u>	<u>84,173</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2020***32. Categories of financial assets and financial liabilities**

	<u>2020</u> HK\$	<u>2019</u> HK\$
<i>Financial assets:</i>		
Non-current assets -		
Equity investments at fair value through other comprehensive income	5,637,711	7,282,538
Current assets - at amortized cost:		
Receivables [excluding prepayments]	64,812,022	62,270,351
Bank deposits and cash	<u>238,771,070</u>	<u>231,694,279</u>
	<u>309,220,803</u>	<u>292,162,073</u>
<i>Financial liabilities:</i>		
Current liabilities - at amortized cost:		
Payables [excluding receipt in advance]	<u>33,644,949</u>	<u>30,252,858</u>

33. Commitments under operating leases

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

	<u>2020</u> HK\$	<u>2019</u> HK\$
Not later than one year	11,096,631	6,393,586
Later than one year but not later than five years	<u>12,038,998</u>	<u>4,901,307</u>
	<u>23,135,629</u>	<u>11,294,893</u>

34. Related party transactions

Except for the transactions and balances disclosed elsewhere in these financial statements, the Group did not undertake any transactions with related parties during the year [2019 - Same].

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2020***35. Lotteries Fund (Wi-Fi Project)**

Income and Expenditure Statement for

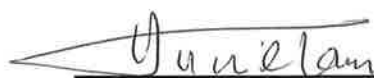
Lotteries Fund Experimental Project of Limited duration

For the year ending 31 March 2020

Organisation Name : New Life Psychiatric Rehabilitation Association

	<u>Wi-Fi Project</u>	
	<u>35141-837-4510-0000</u>	
	<u>2020</u>	<u>2019</u>
	<u>HK\$</u>	<u>HK\$</u>
Income		
Lotteries Fund Grant	1,405,363	-
Interest Income	-	-
Total Income (A)	<u>1,405,363</u>	<u>-</u>
Expenditure		
Other Expenditure:		
(i) Technical set-up and installation cost	-	-
(ii) Operating expenses	-	-
Total Expenditure (B)	<u>-</u>	<u>-</u>
Surplus for the year (C) = (A) - (B)	1,405,363	-
Add: Cumulated income b/f (D)	-	-
Cumulated expenditure b/f (E)	-	-
Cumulated surplus/(deficit) b/f (F) = (D) - (E)	-	-
Cumulated surplus c/f (G) = (C) + (F)	<u>1,405,363</u>	<u>-</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

18 AUG 2020


Miss TAM Kam Lan, Annie, GBS, JP
Chairperson



Mr. TSE Kam Keung
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

36. Statement of Financial Position of the Association at 31st March 2020

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	36(a)	10,801,511	9,727,392
Investment in subsidiary company	36(b)	6,275,034	5,994,127
Equity investments at fair value through other comprehensive income	7	<u>5,637,711</u>	<u>7,282,538</u>
		22,714,256	23,004,057
CURRENT ASSETS			
Inventories - goods for sale		739,526	716,036
Accounts and other receivables	36(c)	70,812,986	66,849,753
Time deposits with banks	9	175,847,410	199,951,164
Bank and cash balances		62,251,914	30,280,411
		309,651,836	297,797,364
CURRENT LIABILITIES			
Creditors and accruals	36(d)	(30,674,512)	(27,070,406)
NET CURRENT ASSETS			
		<u>278,977,324</u>	<u>270,726,958</u>
NET ASSETS			
		<u>301,691,580</u>	<u>293,731,015</u>

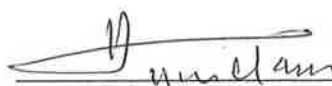
NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

36. Statement of Financial Position of the Association at 31st March 2020 (continued)

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
<i>representing:</i>			
DESIGNATED FUNDS			
Reserved Fund	36(e)	97,154,787	9,584,077
Investment Revaluation Reserve	13	(2,420,143)	(544,799)
Fund for Ching Kung House	14	-	2,610,985
Staff Welfare and Development Fund	15	3,872,350	3,115,283
Service Users' and Families' Welfare and Charitable Fund	16	1,605,892	1,470,981
Flag Day Fund	17	9,886,398	11,483,604
Production Floating Fund	18	-	82,252,005
Fundraising Campaign Fund	19	-	875,907
Dr. Wu Wai Yung Fund	20	2,863,811	3,145,289
Dr. Stella Liu Fund	21	1,945,429	1,918,614
Mrs. Esther De Sousa Fund	22	-	2,776,833
		114,908,524	118,688,779
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	23	145,881,999	138,080,429
Provident Fund Reserve			
-Snapshot staff	23	1,496,125	1,396,360
-Non-snapshot staff	23	32,209,567	28,932,995
Social Welfare Subvention Surpluses			
Rent and Rates	24	(2,071,869)	(2,609,789)
Central Items Surpluses	24	2,124,128	350,125
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund	25	5,416,357	7,159,104
Social Welfare Development Fund	26	983,485	1,733,012
SWD Allocation-One-Off Subsidy	27	743,264	-
		186,783,056	175,042,236
		301,691,580	293,731,015

Approved and authorised for issue by the Executive Committee on **18 AUG 2020**



Miss TAM Kam Lan, Annie, GBS, JP
Chairperson



Mr. TSE Kam Keung
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

36. Statement of Financial Position of the Association at 31st March 2020 (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 2019	2	20,013,310	3,288,361	7,668,274	30,969,947
Additions	-	4,580,056	845,494	1,477,750	6,903,300
Disposal	-	(111,374)	-	-	(111,374)
At 31st March 2020	2	24,481,992	4,133,855	9,146,024	37,761,873
<i>Accumulated depreciation</i>					
At 31st March 2019	-	(14,632,655)	(774,450)	(5,835,450)	(21,242,555)
Charge for the year	-	(3,867,158)	(613,345)	(1,319,642)	(5,800,145)
Written back on disposal	-	82,338	-	-	82,338
At 31st March 2020	-	(18,417,475)	(1,387,795)	(7,155,092)	(26,960,362)
<i>Net book value</i>					
At 31st March 2020	2	6,064,517	2,746,060	1,990,932	10,801,511
At 31st March 2019	2	5,380,655	2,513,911	1,832,824	9,727,392

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

The Association's premises are located at:

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

(b) Investment in subsidiary company

	<u>2020</u> HK\$	<u>2019</u> HK\$
Unlisted shares, at cost	6,000,020	6,000,020
Amount due (to)/from subsidiary company	<u>275,014</u>	<u>(5,893)</u>
	<u>6,275,034</u>	<u>5,994,127</u>

Particulars of the subsidiary company are as follows:

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

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2020***36. Statement of Financial Position of the Association at 31st March 2020 (continued)***(c) Account and other receivables*

	<u>2020</u> HK\$	<u>2019</u> HK\$
Contract deposits	6,581,044	10,214,944
Accounts receivable	11,621,912	8,456,763
Rental deposits	1,824,107	1,748,816
Utility deposits	1,153,351	1,133,651
Sundry deposits	135,498	172,811
Prepayments	7,437,064	6,687,820
Dividend receivable	-	93,003
Interest receivable	796,441	753,772
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	10,819,477	7,599,525
On-site Training Programme	548,016	367,140
Intensive Employment Assistance Project Community Care Fund	-	14,394
Queen Elizabeth Foundation for the Mentally Handicapped	29,305	-
Hong Kong Jockey Club Charities Trust	29,384,182	27,614,099
Community Chest	143,616	182,766
Community Investment and Inclusion Fund	-	417,956
Kwai Tsing Community Green Station	-	710,469
Mindset project	-	364,778
Environment and Conservation Fund	337,973	316,046
	<u>70,812,986</u>	<u>66,849,753</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2020***36. Statement of Financial Position of the Association at 31st March 2020 (continued)****(d) Creditors and accruals**

	<u>2020</u> HK\$	<u>2019</u> HK\$
Accounts payable	1,471,198	2,268,620
Accruals	4,541,239	3,393,333
Other payables	4,081,131	3,112,536
Receipt in advance (included temporary credit)	501,661	290,031
Deferred income	6,652,533	5,185,249
Deposits of clients (for keys and lockers)	104,988	101,550
Rental deposits	41,000	41,000
Other deposits received	1,635,820	1,587,100
Accounts with:		
Lotteries Fund (WI-FI Project) [Note 35]	1,405,363	-
Integrated Employment Assistance Programme for Self-reliance	247,500	354,141
Chow Tai Fook Charity Foundation	3,940,306	4,651,284
Janssen HK	364,430	304,710
Enhancing Employment of People with Disabilities through Small Enterprises Project	7,130	19,489
Employees Retraining Board Fund	284,147	176,215
Partnership Fund	-	17,696
Queen Elizabeth Foundation for Mentally Handicapped	-	8,066
UPS Foundation	75,089	75,089
Food Sharing Project	534,150	311,242
Contribution	3,631,761	5,173,055
Community Investment and Inclusion Fund	281,257	-
Community Green Station	806,998	-
Mindset project	66,811	-
	<u>30,674,512</u>	<u>27,070,406</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2020

36. Statement of Financial Position of the Association at 31st March 2020 (continued)

(e) Reserved Fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance at beginning of year	9,584,077	11,492,232
Movements during the year		
Surplus for the year	9,835,909	5,520,263
Transfer from/(to) various funds and reserves*	77,734,801	(7,428,418)
Surplus/(Deficit) for the year after transfer ^{Remark}	<u>87,570,710</u>	<u>(1,908,155)</u>
Balance at end of year	<u>97,154,787</u>	<u>9,584,077</u>
Remark:		
Surplus/(Deficit) for the year after transfer represents:		
Surplus from subvented units [Note 31]	105,181	84,173
Deficit from Community Chest allocation	(536,334)	(391,863)
Deficit from self financed units/projects	(2,779,596)	(3,122,535)
Surplus from production of shelter workshops and supported employment service	567,720	-
Surplus from Ching Kung House	215,594	-
Transfer from Fund for Ching Kung House [Note 14]	2,610,985	-
Transfer from Production Floating Fund [Note 18]	82,252,005	-
Transfer from Fundraising Campaign Fund [Note 19]	875,907	-
Transfer from Mrs Esther De Sousa Fund [Note 22]	2,776,833	-
Interest income on time deposits/bond investments	1,400,436	953,597
Dividend income	251,723	386,801
Impairment loss on available-for-sale investments	-	(148,744)
(Loss)/Gain on foreign exchange on time deposits for Reserve Fund	<u>(169,744)</u>	<u>330,416</u>
	<u>87,570,710</u>	<u>(1,908,155)</u>
* Transfer amount per consolidated financial statements	(78,784,262)	6,888,598
Exclusion of transfer amount from :		
Small Enterprise Fund (SWD) for operation of subsidiary company	<u>1,049,461</u>	<u>539,820</u>
	<u>(77,734,801)</u>	<u>7,428,418</u>