

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 2016

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 2016

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NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

EXECUTIVE COMMITTEE MEMBERS

Chairperson

Prof. CHEUNG Mui Ching, Fanny, SBS, OBE, JP

Vice-chairperson

Dr. CHEUNG Hung Kin

Honorary Secretary

Dr. YU Wai Tak

Honorary Treasurer

Mr. YOUNG Wai Tsing, Stephen

Members

Ms. CHAN Siu Bing, Amy

Dr. LEE Chi Chiu

Prof. MAK Wing Sze, Winnie

Dr. NG Hon Shing

Mr. Tse Kam Keung

(Appointed on 18th March 2016)

Ms. WOO Yuen Ling

Dr. YEUNG Kwok Wah, Allen

Dr. YU Chi Shing, M.H.

Dr. YUEN Cheung Hang, Henry

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

REPORT OF THE 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 2016.

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 follow:

Prof. CHEUNG Mui Ching, Fanny, SBS, OBE, JP
Dr. YU Wai Tak

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.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Report of the Executive Committee

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.

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 community mental health. We aim to make a positive difference by advocating for equal opportunities for people in recovery, 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 people in recovery of mental illness 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 62 service units/projects and 23 social enterprises serving nearly 18,000 people in recovery from mental illness every year.

BUSINESS REVIEW (continued)

(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 people in recovery of mental illness, persons with suspected mental health problems, caregivers and residents living in the district. The Association now operates seven ICCMWs in Tin Shui Wai, Sham Shui Po, Yau Tsim Mong, Shatin, Kwai Chung, Tuen Mun and Island Districts.

(b) Residential Services

To support the integration of people in recovery (PIR) of mental illness in the community with different level of care and support, the residential service provides 24 hours 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 & 1 subvented supported hostels and 2 hostels for the moderately mentally handicapped.

(c) Vocational Rehabilitation Services

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

(d) Social Enterprises

The Association currently operates 23 social enterprises to provide work and training opportunities for people in recovery.

(e) Family Support

The Association supports parents and the next generation of families with people in recovery of mental illness, through psycho-education groups, wellness activities, volunteer and leadership training, counselling and parenting training.

(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 their children in education and employment development as well as to enhance public' understanding on persons challenged by ASD, thereby fostering their integration to community and achievement of abundant living.

BUSINESS REVIEW (continued)

(II) Core Services (continued)

(g) Training, Research and Development

Through 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.

(III) Principle risks and uncertainties

The Association has in place a risk management policy and maintains a risk register to manage corporate and operational risk. It seeks to effectively manage all threats and opportunities that may have an impact on its reputation, ability to comply with statutory requirements and commitment to achieve the objectives and values.

(a) Financial Risks

The Association's financial risk is small because over 68 % of the Association's total incomes come from the following stable sources:

- i) Subventions from the Social Welfare Department (62%)
- ii) Fee income from service recipients (6%)

(b) Manpower Risks

Recruitment and retention of manpower especially paramedical and frontline staff due to competitive market and limited supply has been challenging. While this may affect the provision of quality services, various recruitment strategies and retention measures have been in place.

(c) Service Quality Risks

Apart from observing the quality assurance requirements as stipulated by funding bodies, the Association also operates several mechanisms on service quality risk, including the Continuous Quality Improvement and Quality Assurance subcommittee, a set of performance standards and assurance system as well as strengthened its internal control on accounting procedures through internal audit. The Association's Corporate Governance Handbook continued to optimize the corporate governance with respective principles and procedures. Furthermore, the Association's "Best Practice Manual" (Chinese version) had been published for distributing to the stakeholders. Communications on the best practices were also conducted through various platforms and meetings. The Manual would be reviewed and updated every 3 years or as necessary.

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 2015/16, the Association maintains a membership of 152.

(b) Service Recipients

Service recipients of the Association are mainly people in recovery of mental illness, people with disabilities and persons challenged by ASD who meet the admission criteria of service in need, their family members, caregivers as well as the general public.

(c) Staff

As at end of March 2016, the Association has a workforce of 1,048 comprising 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 promote the implementation of environmental friendly initiatives and foster knowledge of environment protection and nature conservancy within service units and among service users and staff. The Association took various green actions and activities, for instance, used clothes recycling programs, cookery workshops to promote low-carbon diet, cultivate eco laundry and air conditioning habits to improve energy efficiency, etc. In 2015, the Association was awarded "Green Office" Label and the United Nations Millennium Development Goals' "Better World Company" Label under the Green Office Awards Labelling Scheme (GOALS) organised by the World Green Organisation (WGO). The award recognised the Association's endeavours in implementing green practices.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Report of the Executive Committee

BUSINESS REVIEW (continued)

(VI) Important events for Financial Year 2015/2016

- (a) In 2015, the Association entered the milestone of 50th Anniversary. As one of the initiatives for celebration, the Association's website was revamped with enriched content and mental wellness information. Mobile responsive design was also adopted to facilitate audience's searching for mental health information anytime anywhere. The revamped website received silver award of "2016 Web Accessibility Award Scheme" under website category.
- (b) The Association celebrated with a 50th Anniversary Special Publication, entitled "50 years, 50 faces – The Newness of New Life" which collected 50 stories of service innovation spanning from residential, vocational rehabilitation, community support services, social enterprises, pioneer projects, professional training & development, partnership to participation of people in recovery.
- (c) The 50th Anniversary Gala Dinner cum 2014/15 Annual General Meeting was held in September 2015. More than 350 guests attended and shared the achievements of the Association and future outlook. As well, the event kicked off the corporate video and announced the launch of "newlife.330".
- (d) newlife.330, a holistic health campaign aiming at promoting well-being to the general public, was kicked-off on 14 November 2015. More than 18 experiential workshops were held on-site for over 2,000 attendances to experience how to apply mindfulness to the daily lives.
- (e) A symposium entitled "Beyond Recovery: Well-being for All" was organised in January 2016, serving as a platform for international exchange of the latest development in practice and research on mental well-being. Scholars and professionals engaged the participants to explore various ways to enhance well-being through didactic discussion and experiential workshops.
- (f) Attended by more than 1,000 staff members, the 50th Anniversary celebration dinner took place in March 2016 with a variety of programs arranged.
- (g) delight kitchen and drinks330 were the two food factories newly established in 2015/16 and operated in the form of social enterprises. The establishment aimed to cope with the increasing demand for healthy food in the market and develop new food and beverage items. Service users have opportunities to be employed by social enterprises to develop their potential.

BUSINESS REVIEW (continued)

(VI) Important events for Financial Year 2015/2016 (continued)

- (h) To echo the Association's vision "From Recovery to Well-being", emotion GPS (eGPS) is launched referenced to Improving Access to Psychological Therapies (IAPT) in UK. The service is to provide low intensity and guided self-help to individuals experiencing emotional distress and easy-to-learn techniques that could effectively improve their emotions. Other than one-to-one guided self-help, our eGPS service also held psychoeducation groups to teach effective ways of emotion regulation.
- (i) In August 2015, the Association received sponsorship from Hong Kong Jockey Club Charities Trust to participate in a school-based support program, namely JC A-Connect Jockey Club Autism Support Network, to provide training for students, their families and teachers in mainstream schools. Coaching programs comprised social competence training for students, educational workshops and professional consultations for parents and teachers, as well as peer activities. The project would continue for three years.
- (j) The effort and outcome of the MINDSET Peer Support Worker (PSW) project was valued by the government. With the reference of the experience in MINDSET Peer Support Worker (PSW) Project, the Social Welfare Department decided to implement a 2-year project – "Pilot Project on Peer Support Service in Community Psychiatric Service Units" from March 2016, supported by Lotteries Fund. The project will further expand the coverage of peer support service, and provide more job vacancies for peer support workers.

(VII) Future Likely Developments

- (a) The Association formulated a strategic plan for the next five years from 2016 to 2021. An Agency Performance Blueprint was developed with 6 major Strategic Initiatives covering 25 strategic objectives and key performance indicators. Annual targets and implementation plan were being finalized and the management structure will be reviewed in light of the new strategic directions.
- (b) Challenged with ageing issues of service users, the Association formed a working group from 2014 onwards with an aim to maintain the living quality and functioning levels of aged service users. The Association will continue to review and enhance facilities so as to create a more safe and comfortable living environment for our service users in our service units. At the same time, the Association will further enhance the nursing care service, such as conducting physical examination, health assessment, medical follow up, health education talks and organising programs to enhance the users' health awareness and self-management to better prepare them for later life.

BUSINESS REVIEW (continued)

- (c) Aligning with the Association's mission of "From Recovery to Well-being", newlife.330, a holistic health campaign aiming at incorporating mindfulness practice into the daily lives was launched. Through the 330 website and mobile app, together with a series of 330 workshops and roadshows at various districts, newlife.330 strives to make mindfulness an attitude towards life by offering people with simple tools to support them in a busy and stressful lifestyle.

(VIII) Results and Reserves

Financial results for the year ended 31st March 2016 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 17 and 18 respectively.

	2015/2016	2014/2015
Return on Net Assets (change in net assets / average total net assets)	5.80%	8.50%
Current Ratio (current assets / current liabilities)	11.8	12.6

The Association maintains a healthy financial position. The net assets return indicated that its financial performance continues to improve, 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



Prof. CHEUNG Mui-ching, Fanny, SBS, OBE, JP
Chairperson

Hong Kong, **19 AUG 2016**

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF **NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION** *[incorporated in Hong Kong and limited by guarantee]*

We have audited the consolidated financial statements of New Life Psychiatric Rehabilitation Association [the "Association"] and its subsidiary [together the "Group"] set out on pages 12 to 50, which comprise the consolidated statement of financial position as at 31st March 2016, consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

EXECUTIVE COMMITTEE MEMBERS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Executive Committee Members are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standard for Private Entities ["HKFRSPE"] issued by the Hong Kong Institute of Certified Public Accountants ["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 financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion 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 the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Independent Auditor's Report

AUDITORS' RESPONSIBILITY (cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31st March 2016 and of its financial performance and cash flows for the year then ended in accordance with HKFRSPE and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



F. S. Li & Co.
Certified Public Accountants

Hong Kong,

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2016

	<u>Note</u>	<u>2016</u> HK\$	<u>2015</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	6	6,965,210	6,781,119
Investment in securities	7	<u>11,016,108</u>	<u>23,303,916</u>
		17,981,318	30,085,035
CURRENT ASSETS			
Inventories - goods for sale		989,586	986,357
Accounts and other receivables	8	41,529,414	27,721,076
Time deposits with banks	9	226,372,302	211,103,791
Bank and cash balances		12,395,927	10,064,051
		281,287,229	249,875,275
CURRENT LIABILITIES			
Creditors and accruals	10	(23,707,747)	(19,839,471)
Tax payable		(93,097)	(61,063)
		(23,800,844)	(19,900,534)
NET CURRENT ASSETS		<u>257,486,385</u>	<u>229,974,741</u>
NET ASSETS		275,467,703	260,059,776
NET ASSETS HELD ON BEHALF OF MINDSET			
PLACE - property management account	11	<u>161,272</u>	<u>151,548</u>
		<u>275,628,975</u>	<u>260,211,324</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2016

(Continued)

	<u>Note</u>	<u>2016</u> HK\$	<u>2015</u> HK\$
<i>representing:</i>			
DESIGNATED FUNDS			
Reserved Fund	12	21,327,211	21,786,226
Investment Revaluation Reserve	13	(84,682)	35,465
Fund for Ching Kung House	14	2,208,907	2,063,468
Staff Welfare and Development Fund	15	2,163,368	1,627,696
Service Users' and Families' Welfare and Charitable Fund	16	1,404,559	1,416,959
Flag Day Fund	17	10,680,783	10,288,921
Production Floating Fund	18	67,827,921	62,257,059
Fundraising Campaign Fund	19	875,907	875,907
Dr. Wu Wai Yung Fund	20	2,950,391	2,688,180
Dr. Stella Liu Fund	21	2,879,630	2,863,720
Mrs. Esther De Sousa Fund	22	2,673,387	2,656,038
		114,907,382	108,559,639
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	23	131,630,230	122,878,317
Provident Fund Reserve	23	23,855,208	23,526,517
Social Welfare Subvention Surpluses			
Rent and Rates	24	(3,664,397)	(3,818,911)
Central Items Surpluses	24	804,828	1,682,693
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund	25	4,172,603	2,117,736
Social Welfare Development Fund	26	1,819,420	2,070,710
Small Enterprise Fund (SWD)	27	1,942,429	3,043,075
		160,560,321	151,500,137
		275,467,703	260,059,776
PROPERTY MANAGEMENT RESERVES HELD ON BEHALF OF MINDSET PLACE			
	11	161,272	151,548
		275,628,975	260,211,324

The financial statements set out on page 12 to 50 were approved and authorised for issue by the Executive Committee on **19 AUG 2016**



Prof. CHEUNG Mui Ching, Fanny
Chairperson



Mr. YOUNG Wai Tsing, Stephen
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31ST MARCH 2016

	<u>2016</u> HK\$	<u>2015</u> HK\$
INCOME		
Social Welfare Lump Sum Grant	267,660,934	242,900,899
Social Welfare Designated Subvention		
Central Items	-	2,776,974
Central Items - Amount refunded to Government	(745,518)	(498,371)
Rent and Rates	10,720,834	9,183,056
Rent and Rates - Amount refunded to Government	(7,264)	(77,118)
Social Welfare Development Fund	2,422,872	2,049,200
Intensive Employment Assistance Programme for Self-reliance	1,443,005	1,825,092
Furniture and Equipment Replenishment and Minor Works Block Grant	3,922,000	3,589,000
Hospital Authority	1,740,198	1,689,996
Employees Retraining Fund	160,757	209,691
Community Chest	1,219,680	1,188,821
HSBC (Community Chest 45th Anniversary Fund)	642,264	617,341
Other grants	8,826,858	5,035,174
Lotteries Fund [Note 28]	6,171,985	10,223,618
Hong Kong Jockey Club Charities Trust	11,458,372	4,551,000
Donations	2,460,331	1,128,187
Dues and Fees	27,573,691	27,764,405
Members' Subscriptions	3,700	5,450
Rental Income	272,836	204,935
Mental health promotion programme	38,187	61,536
Miscellaneous Receipts	736,673	133,428
Grants transferred to Deferred Income	(2,862,210)	(1,493,005)
OPERATING INCOME	343,860,185	313,069,309
OTHER INCOME		
Production income on own services units	110,216,136	109,269,543
Interest income on bank deposits	1,688,754	2,333,957
Interest income on bond investments	27,556	138,652
Dividend income on marketable investments	837,033	545,784
Gain on foreign exchange	216,945	-
Property manager remuneration	8,200	7,000
	112,994,624	112,294,936
TOTAL INCOME CARRIED DOWN	456,854,809	425,364,245

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31ST MARCH 2016

(continued)

	<u>2016</u> HK\$	<u>2015</u> HK\$
INCOME		
TOTAL INCOME BROUGHT DOWN	456,854,809	425,364,245
EXPENDITURE		
Personnel Emoluments	(240,039,597)	(219,267,754)
Cost of Operation	(18,938,874)	(17,697,606)
Administration	(11,158,374)	(6,876,329)
Utilities	(6,205,884)	(6,282,245)
Stores and Equipment	(13,620,695)	(10,302,510)
Programme Expenses	(5,934,532)	(5,199,120)
Transport and Travelling	(1,204,705)	(1,265,466)
Designated Subvention Items		
Central Items	(132,347)	(2,253,509)
Rent and rates	(10,559,056)	(10,774,833)
Social Welfare Development Fund	(1,608,952)	(952,594)
Intensive Employment Assistance Programme for Self-reliance	(1,443,005)	(1,825,092)
Furniture and Equipment Replenishment and Minor Works Block Grant	(1,897,839)	(3,601,149)
Hospital Authority	(1,861,114)	(1,738,412)
Employees Retraining Fund	(160,757)	(209,691)
Community Chest	(1,219,680)	(1,188,821)
HSBC (Community Chest 45th Anniversary Fund)	(642,264)	(617,341)
Grants Utilized	(8,329,465)	(4,770,388)
Lotteries Fund [Note 28]	(6,171,985)	(10,223,618)
Hong Kong Jockey Club Charities Trust	(11,458,372)	(4,551,000)
Production expenses on own service units	(93,250,241)	(90,669,658)
Loss on foreign exchange	-	(4,122,295)
Mental health promotion programme	(133,449)	(73,512)
	(435,971,187)	(404,462,943)
IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENTS	<u>(2,688,943)</u>	<u>(3,619,362)</u>
SURPLUS BEFORE TAXATION [Note 3]	18,194,679	17,281,940
TAXATION [Note 5]	<u>(32,034)</u>	<u>(61,063)</u>
NET SURPLUS FOR THE YEAR BEFORE TRANSFER	<u>18,162,645</u>	<u>17,220,877</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31ST MARCH 2016

(continued)

	<u>2016</u> HK\$	<u>2015</u> HK\$
NET SURPLUS FOR THE YEAR BEFORE TRANSFER	18,162,645	17,220,877
TRANSFER FROM/(TO):		
Designated funds -		
Fund for Ching Kung House [Note 14]	(145,439)	(27,967)
Staff Welfare and Development Fund [Note 15]	(535,672)	(8,276)
Service Users' and Families' Welfare and Charitable Fund [Note 16]	12,400	4,125
Flag Day Fund [Note 17]	(391,862)	604,772
Production Floating Fund [Note 18]	(5,570,862)	(7,224,697)
Dr. Wu Wai Yung Fund [Note 20]	(262,211)	435,567
Dr. Stella Liu Fund [Note 21]	(15,910)	(25,754)
Mrs. Esther De Sousa Fund [Note 22]	(17,349)	(29,811)
Subvention account -		
Lump Sum Grant Reserve Fund		
Lump Sum Grant Reserve [Note 23]	(8,751,913)	(14,265,155)
Provident Fund Reserve [Note 23]	(2,473,674)	(3,475,986)
Social Welfare Subvention Surpluses		
Rent and Rates [Note 24]	(154,514)	1,668,895
Central Items Surpluses [Note 24]	877,865	(25,094)
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund [Note 25]	(2,054,867)	(30,375)
Re-Structuring and Re-Engineering [Note 26]	-	-
Additional Resources for Para-medical Staff [Note 27]	-	-
Social Welfare Development Fund [Note 26]	(302,601)	(1,133,601)
Small Enterprise Fund (SWD) [Note 27]	1,164,949	1,254,437
Net amount transfer	<u>(18,621,660)</u>	<u>(22,278,920)</u>
DEFICIT FOR THE YEAR AFTER TRANSFER [Note 12]	(459,015)	(5,058,043)
RESERVED FUND BROUGHT FORWARD	<u>21,786,226</u>	<u>26,844,269</u>
RESERVED FUND CARRIED FORWARD	<u><u>21,327,211</u></u>	<u><u>21,786,226</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2016

	<u>2016</u> <u>HK\$</u>	<u>2015</u> <u>HK\$</u>
NET SURPLUS FOR THE YEAR	18,162,645	17,220,877
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Grants for Small Enterprise Fund (SWD) for the year [Note 27]	64,303	2,140,894
Change in fair value of available-for-sale investments [Note 13]	(120,147)	(1,696,252)
Impairment loss on available-for-sale investments recognised in surplus or deficit [Note 13]	-	3,619,362
	(55,844)	4,064,004
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	18,106,801	21,284,881

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES FOR THE YEAR ENDED 31st MARCH 2016

	DESIGNATED FUND										DESIGNATED FUND TOTAL
	Reserved Fund	Investment Revaluation Reserve	Fund for Chung Kung House	Staff Welfare and Development Fund	Service Users' and Families' Welfare and Charitable Fund	Flg Day Fund	Production Floating Fund	Fundraising Campaign Fund	Dr. Wu Wai Yung Fund	Dr. Stella Lin Fund	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 31st March 2014	26,844,269	(1,887,645)	2,035,501	1,619,420	1,421,084	10,893,693	55,032,362	875,907	3,123,747	2,837,966	105,422,531
Surplus for the year ended 31st March 2015	17,220,877	(1,696,252)	-	-	-	-	-	-	-	-	17,220,877
Change in fair value of available-for-sale investments	-	(1,696,252)	-	-	-	-	-	-	-	-	(1,696,252)
Impairment loss on available-for-sale investments	-	3,619,362	-	-	-	-	-	-	-	-	3,619,362
Total comprehensive income for the year ended 31st March 2015	17,220,877	1,923,110	-	-	-	-	-	-	-	-	19,143,987
Transfer	(22,278,970)	-	27,987	8,276	(4,125)	(604,772)	7,224,697	-	(435,367)	25,754	(16,006,879)
Balance at 31st March 2015	21,786,226	35,465	2,063,488	1,627,696	1,416,959	10,288,921	62,257,059	875,907	2,688,180	2,863,720	108,559,639
Surplus for the year ended 31st March 2016	18,162,645	-	-	-	-	-	-	-	-	-	18,162,645
Change in fair value of available-for-sale investments	-	(120,147)	-	-	-	-	-	-	-	-	(120,147)
Total comprehensive income for the year ended 31st March 2016	18,162,645	(120,147)	-	-	-	-	-	-	-	-	18,042,498
Transfer	(18,621,660)	-	145,439	535,672	(12,400)	391,862	5,570,862	-	262,211	15,910	(11,694,755)
Balance as at 31st March 2016	21,327,211	(84,682)	2,208,927	2,163,368	1,404,559	10,680,783	67,827,921	875,907	2,950,391	2,879,630	114,907,382

	SUBVENTION ACCOUNT										DESIGNATED FUND TOTAL
	Lump Sum Grant Reserve Fund	Provident Fund Reserve	Social Welfare Subvention Surpluses - Rent & rates	Social Welfare Subvention Surpluses - Central Items surpluses	Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund	One-off Subsidy for Non-government to reinforce their organisation Re-structuring and Service Re-engineering Projects	Additional Resources for Para-medical Staff funded by Lotteries Fund	Social Welfare Development Fund	Small Enterprise Fund (SWD)	SUBVENTION ACCOUNT TOTAL	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 31st March 2014	108,651,747	20,050,531	(2,150,016)	1,619,014	2,087,361	-	-	937,109	2,156,418	133,352,364	238,774,895
Surplus for the year ended 31st March 2015	-	-	-	-	-	-	-	-	-	-	-
Grants for Small Enterprise Fund (SWD)	-	-	-	-	-	-	-	-	2,140,894	2,140,894	2,140,894
Change in fair value of available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-
Impairment loss on available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year ended 31st March 2015	-	-	-	-	-	-	-	-	-	-	-
Transfer	14,226,570	3,475,986	(1,668,895)	63,679	30,375	-	-	1,133,601	(1,254,437)	16,006,879	17,220,877
Balance at 31st March 2015	122,878,317	23,526,517	(3,818,911)	1,682,693	2,117,736	-	-	2,070,710	3,043,075	151,500,137	260,059,776
Surplus for the year ended 31st March 2016	-	-	-	-	-	-	-	-	-	-	-
Grants for Small Enterprise Fund (SWD)	-	-	-	-	-	-	-	-	64,303	64,303	64,303
Change in fair value of available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year ended 31st March 2016	-	-	-	-	-	-	-	-	-	-	-
Clawback of unspent balance	-	(2,144,983)	-	-	-	-	-	(553,891)	-	-	(2,698,874)
Transfer	8,751,913	2,473,674	154,514	(877,865)	2,054,867	-	-	302,601	(1,164,949)	11,694,755	11,694,755
Balance as at 31st March 2016	131,630,230	23,855,208	(3,664,397)	804,828	4,172,603	-	-	1,819,420	1,942,429	160,560,321	275,467,703

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	<u>2016</u> HK\$	<u>2015</u> HK\$
Cash flows from operating activities		
Surplus before taxation	18,194,679	17,281,940
Adjustments for:		
Interest income on time deposits	(1,688,754)	(2,333,957)
Interest income on bond investments	(27,556)	(138,652)
Impairment loss on available-for-sale investments	2,688,943	3,619,362
Dividend income on marketable investments	(837,033)	(545,784)
Depreciation on property, plant and equipment	4,425,660	3,788,501
Loss on disposal of property, plant and equipment	69,600	28,765
Operating surplus before working capital changes	22,825,539	21,700,175
(Increase)/Decrease in:		
Inventories	(3,229)	27,595
Accounts and other receivables	(13,714,149)	(7,495,739)
Increase in creditors and accruals	3,868,276	2,297,498
Net cash from operating activities	12,976,437	16,529,529
Cash flows from investing activities		
Interest received on time deposits	1,833,479	2,427,037
Interest received on bond investments	10,056,543	146,553
Dividends received	47,850	32,881
Payment on purchase of property, plant and equipment	(4,679,351)	(3,812,132)
Net decrease in bank deposits of more than 3 months to maturity from date of deposit	9,971,630	2,061,991
Net cash from investing activities	17,230,151	856,330
Cash flows from financing activities		
Amount refunded to SWD (clawback of unspent balances)	(2,698,874)	-
Grant for Small Enterprise Fund	64,303	2,140,894
Net cash (used in)/from financing activities	(2,634,571)	2,140,894
Net increase in cash and cash equivalents	27,572,017	19,526,753
Cash and cash equivalents at beginning of year	82,422,423	62,895,670
Cash and cash equivalents at end of year	109,994,440	82,422,423

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2016

(continued)

	<u>2016</u> HK\$	<u>2015</u> HK\$
Analysis of balances of cash and cash equivalents		
Time deposits with bank	226,372,302	211,103,791
Bank and cash balances	<u>12,395,927</u>	<u>10,064,051</u>
	238,768,229	221,167,842
Time deposits of more than 3 months to maturity from date of deposit	<u>(128,773,789)</u>	<u>(138,745,419)</u>
	<u><u>109,994,440</u></u>	<u><u>82,422,423</u></u>
 <i>Non-cash transactions:</i>		
During the year the Group received scrip dividends in lieu of cash dividends of	<u><u>790,370</u></u>	<u><u>512,903</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

1. General

New Life Psychiatric Rehabilitation Association ["the Association"] is 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 33(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 & mutual help, mental health promotion & 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.
- (vi) 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.

2. Basis of preparation and accounting policies (continued)

(e) *Impairment losses* (continued)

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.

(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.

2. Basis of preparation and accounting policies (continued)

(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 Accounting Standard 39 "Financial Instruments: Recognition and Measurement" 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.

(j) *Investment in securities*

i) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. Available-for-sale investments are initially recognized at fair value plus transaction costs. Gains and losses arisen from changes in fair value are recognised directly in investment revaluation reserve, until the investment is derecognised or impaired at which time the cumulative surplus or deficit previously recognised in investment revaluation reserve is recognised in surplus or deficit. Available-for-sale investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less any impairment losses.

ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Held-to-maturity investments are stated in statement of financial position at cost plus/less any discount/premium amortised to date. The discount or premium is amortized over the period to maturity to interest income in the statement of comprehensive income. Provision for impairment loss is made when there is a diminution in value.

The carrying amounts of held-to-maturity investments are reviewed at the reporting date in order to assess the credit risk and whether the carrying amounts are expected to be recovered. Provisions are made when carrying amounts are not expected to be recovered and are recognised in surplus or deficit.

2. Basis of preparation and accounting policies (continued)

(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 initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts unless the effect of discounting would be immaterial, in which case the receivables are stated at cost less impairment losses for bad and doubtful debts. A provision for impairment of receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

(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.

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.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

3. Surplus before taxation

Surplus before taxation is arrived after charging the following:-

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Auditors' remuneration	233,500	188,500
Staff costs	240,039,597	219,267,754
Depreciation on property, plant and equipment	4,425,660	3,788,501
Loss on disposal of property, plant and equipment	69,600	28,765
Rent under operating leases	<u>12,342,489</u>	<u>10,169,237</u>

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 [2015 - 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.

5. Taxation

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

Hong Kong profits tax has been provided for at the rate of 16.5% [2015 - 16.5%] on the subsidiary company's estimated assessable profits, net tax concession.

There is no deferred tax liability.

At 31st March 2016, the subsidiary company has deductible temporary differences of HK\$133,000 [2015 - HK\$275,000] available for offset against future profits. No deferred tax asset has been recognised in respect of the deductible temporary differences due to the unpredictability of future profits streams.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

6. Property, plant and equipment

	Land and Buildings HK\$	Construction and fitting out HK\$	Furniture and Equipment HK\$	Vehicle HK\$	Computer HK\$	Total HK\$
<i>At cost</i>						
At 31st March 2015	2	6,132,846	9,505,919	300,309	1,967,164	17,906,240
Additions	-	511,947	2,221,442	204,220	1,741,742	4,679,351
Disposal	-	(67,600)	(36,708)	-	-	(104,308)
At 31st March 2016	2	6,577,193	11,690,653	504,529	3,708,906	22,481,283
<i>Accumulated depreciation</i>						
At 31st March 2015	-	(4,486,302)	(5,500,159)	(280,235)	(858,425)	(11,125,121)
Charge for the year	-	(991,786)	(2,505,682)	(37,368)	(890,824)	(4,425,660)
Written back on disposal	-	16,900	17,808	-	-	34,708
At 31st March 2016	-	(5,461,188)	(7,988,033)	(317,603)	(1,749,249)	(15,516,073)
<i>Net book value</i>						
At 31st March 2016	2	1,116,005	3,702,620	186,926	1,959,657	6,965,210
At 31st March 2015	2	1,646,544	4,005,760	20,074	1,108,739	6,781,119

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. Farm land at Lot Nos. TMTL No. 383
2. Ching Kung House at Flat A, 3/F, No. 30 Nassau Street, Kowloon

7. Investment in securities

	2016 HK\$	2015 HK\$
<i>Available-for-sale investments</i>		
Listed securities, at market value	7,135,273	9,273,947
Marketable Fund, at market value	871,282	991,429
At fair value	8,006,555	10,265,376
<i>Held-to-maturity investments</i>		
Bonds, at amortised cost	3,009,553	13,038,540
	11,016,108	23,303,916

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2016***8. Account and other receivables**

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Contract deposits	3,994,380	3,944,601
Accounts receivable	6,951,374	8,281,497
Rental deposits	1,629,925	1,625,925
Utility deposits	1,295,181	1,201,882
Sundry deposits	200,865	200,765
Prepayments	16,704,022	5,597,018
Dividend receivable	238,914	-
Interest receivable	273,184	417,909
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	3,045,039	945,688
Intensive Employment Assistance Project New Dawn	10,866	10,866
Intensive Employment Assistance Project Enhanced New Dawn	9,489	9,489
Integrated Employment Assistance Scheme (Kwai Tsing)	665,215	665,215
Intensive Employment Assistance Project Community Care Fund	162,925	7,447
Health Care & Promotion Fund	79,824	280,989
Employees Retraining Board Fund	39,225	-
Hong Kong Jockey Club Charities Trust	4,707,402	2,885,884
Community Investment and Inclusion Fund	274,467	336,238
HSBC (through donation to Community Chest)	276,182	617,341
Food Sharing Project	70,982	-
Environment and Conservation Fund	898,953	691,322
	<u>41,529,414</u>	<u>27,721,076</u>

9. Time deposits with banks

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Funds from :		
Social Welfare Subvention Reserve Funds	129,383,614	99,172,100
Other Funds	96,988,688	111,931,691
	<u>226,372,302</u>	<u>211,103,791</u>
Total time deposits with banks	<u>226,372,302</u>	<u>211,103,791</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2016***9. Time deposits with banks (continued)**

	<u>2016</u> HK\$	<u>2015</u> HK\$
<i>Analysis:</i>		
Time deposits of less than 3 months to maturity from date of deposit	97,598,513	72,358,372
Time deposits of more than 3 months to maturity from date of deposit	<u>128,773,789</u>	<u>138,745,419</u>
	<u>226,372,302</u>	<u>211,103,791</u>

10. Creditors and accruals

	<u>2016</u> HK\$	<u>2015</u> HK\$
Accounts payable	2,358,831	2,468,663
Accruals	2,991,771	1,180,814
Other payables	11,058,861	6,833,545
Receipt in advance (included temporary credit)	254,296	589,236
Deferred income	4,173,431	2,811,224
Deposits of clients (for keys and lockers)	62,370	46,120
Rental deposits - Ching Kung House	35,200	35,200
Other deposits received	459,130	51,580
Accounts with:		
Integrated Employment Assistance Scheme (Wong Tai Sin)	395,609	395,609
Integrated Employment Assistance Programme for Self-reliance	480,505	198,364
Enhancing Employment of People with Disabilities through Small Enterprises Project	261,216	514,685
Employees Retraining Board Fund	-	791
Queen Elizabeth Foundation for the Mentally Handicapped	65,863	-
UPS Foundation	106,799	159,342
Food Sharing Project	-	442,303
Keswick Foundation	254,883	956,674
Contribution	88,506	2,687,259
BMCPD Charitable Fund	19,241	-
Mindset Peer Support Worker Project	<u>641,235</u>	<u>468,062</u>
	<u>23,707,747</u>	<u>19,839,471</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

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>2016</u> HK\$	<u>2015</u> HK\$
<i>Assets</i>		
Furniture and equipment ^(Remark)	320	640
Accounts receivable	6,140	550
Utility and other deposits	17,800	17,800
Cash balances	215,411	206,030
<i>Liabilities</i>		
Other payables and accrued charges	(9,821)	(4,894)
Tenants' deposits	<u>(68,578)</u>	<u>(68,578)</u>
<i>Net assets</i>	<u>161,272</u>	<u>151,548</u>

Remark: Movements in furniture and equipment

	<u>HK\$</u>	<u>HK\$</u>
<i>Cost</i>		
At 31st March 2015 and 2016		5,270
<i>Accumulated depreciation</i>		
At 31st March 2015	(4,630)	
Charge for the year	<u>(320)</u>	
At 31st March 2016		<u>(4,950)</u>
<i>Net book value</i>		
At 31st March 2016		<u>320</u>
At 31st March 2015		<u>640</u>

12. Reserved Fund

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	21,786,226	26,844,269
Movements during the year		
Surplus for the year	18,162,645	17,220,877
Transfer to various funds and reserves	<u>(18,621,660)</u>	<u>(22,278,920)</u>
Deficit for the year after transfer ^{Remark 1}	<u>(459,015)</u>	<u>(5,058,043)</u>
Balance at end of year	<u>21,327,211</u>	<u>21,786,226</u>

12. Reserved Fund (continued)

<i>Remark 1 :</i>	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Deficit for the year after transfer represents:		
(Deficit)/Surplus from subvented units	(297,110)	520,290
(Deficit)/Surplus from Community Chest	(200,570)	2,120
Deficit from self financed units/projects	(1,753,810)	(674,703)
Deficit from subsidiary company	(877,876)	(518,468)
Transfer from Small Enterprise Fund (SWD) [Note 27]	1,164,949	1,254,437
Transfer from Lump Sum Grant Reserve <i>Remark 2</i>	2,479,949	-
Interest income on time deposits/bond investments	672,784	1,010,331
Dividend income	837,033	545,784
Impairment loss on available-for-sale investments	(2,688,943)	(3,619,362)
Gain/(Loss) on foreign exchange on time deposits for Reserve Fund	<u>204,579</u>	<u>(3,578,472)</u>
	<u>(459,015)</u>	<u>(5,058,043)</u>

Remark 2 : The amount transferred from Lump Sum Grant Reserve represents premium on staff medical scheme paid by the Association during the financial years 2009/2010 to 2014/2015. According to the rectification with SWD, it is allowed to use the Lump Sum Grant to absorb the premium.

13. Investment Revaluation Reserve

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Balance at beginning of year	35,465	(1,887,645)
Movements during the year		
Change in fair value of the available-for-sale investments	(120,147)	(1,696,252)
Impairment loss on available-for-sale investments recognised in surplus or deficit	-	3,619,362
	<u>(120,147)</u>	<u>1,923,110</u>
Balance at end of year	<u>(84,682)</u>	<u>35,465</u>

Investment revaluation reserve represents the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2016***14. Fund for Ching Kung House**

	<u>2015</u> HK\$	<u>2014</u> HK\$
Balance at beginning of year	2,063,468	2,035,501
Movements during the year		
Operating income (rental income)	211,200	152,126
Direct expenses		
Rent and rates	(10,963)	(11,496)
Administration expenses	(39,876)	(49,208)
Other expenses (utilities, repairs and maintenance)	(14,922)	(63,455)
Amount transferred from Reserved Fund	<u>145,439</u>	<u>27,967</u>
Balance at end of year	<u><u>2,208,907</u></u>	<u><u>2,063,468</u></u>

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

15. Staff Welfare and Development Fund

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	1,627,696	1,619,420
Movements during the year		
Operating income	544,522	381,932
Direct expenses	(8,850)	(373,656)
Amount transferred from Reserved Fund	<u>535,672</u>	<u>8,276</u>
Balance at end of year	<u><u>2,163,368</u></u>	<u><u>1,627,696</u></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 2016

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

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Balance at beginning of year	1,416,959	1,421,084
Direct expenses incurred during the year and amount transferred to Reserved Fund	<u>(12,400)</u>	<u>(4,125)</u>
Balance at end of year	<u><u>1,404,559</u></u>	<u><u>1,416,959</u></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>2016</u>	<u>2015</u>
	HK\$	HK\$
Balance at beginning of year	10,288,921	10,893,693
Movements during the year		
New Life Gratitude Day	-	(103,876)
New Life 330 event	(416,355)	-
Creative arts therapies	(50,000)	-
Flag day income net of expenditure (*)	1,377,847	-
Deficit from Jockey Club New Life Institute (**)	(519,630)	(500,896)
Amount transferred from/(to) Reserved Fund	<u>391,862</u>	<u>(604,772)</u>
Balance at end of year	<u><u>10,680,783</u></u>	<u><u>10,288,921</u></u>
(*) Flag day income net of expenditure		
Donation	1,470,204	-
Expenditure	<u>(92,357)</u>	-
	<u><u>1,377,847</u></u>	<u><u>-</u></u>
(**) Operating income from Jockey Club New Life Institute		
(dues and fees, rental income and miscellaneous receipts)	1,460,868	1,217,075
Mental health promotion programme	38,187	61,536
Direct expenses		
Personnel emoluments	(508,881)	(672,734)
Administration and programme expenses	(996,704)	(688,938)
Rent and rates	(119,005)	(113,935)
Other expenses (utilities, stores and equipment, transportation and miscellaneous expenses)	(260,646)	(230,388)
Mental health promotion programme	<u>(133,449)</u>	<u>(73,512)</u>
	<u><u>(519,630)</u></u>	<u><u>(500,896)</u></u>

The fund is established as a supportive fund for financing part of the operating costs of Jockey Club New Life Institute, and for financing public education activities.

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2016***18. Production Floating Fund**

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	62,257,059	55,032,362
Movements during the year		
Operating income	89,837,083	89,461,374
Direct expenses	(84,266,221)	(82,236,677)
Amount transferred from Reserved Fund	5,570,862	7,224,697
Balance at end of year	<u>67,827,921</u>	<u>62,257,059</u>

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

Kwai Shing Workshop	2,864,951	2,339,736
Shek Pai Wan Integrated Work Centre	1,814,286	1,513,298
Tin King Workshop	1,333,261	1,109,590
Chuk Yuen Integrated Work Centre	4,756,375	4,214,301
New Life Building Workshop	6,830,233	6,136,418
New Life Farm Sheltered Workshop	4,034,815	2,771,435
Supported Employment Projects	43,825,140	41,876,528
Tuen Mun Long Stay Care Home	1,135,791	1,072,400
New Life Building Long Stay Care Home	620,029	594,192
Tuen Mun Training Activity Centre (Revamped to The Wellness Centre-Tuen Mun from Oct 2010)	316,825	329,007
New Life Building Training Activity Centre (Revamped to The Wellness Centre-Sham Shui Po from Oct 2010)	296,215	300,154
	<u>67,827,921</u>	<u>62,257,059</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>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning and at end of year	<u>875,907</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 2016***20. Dr. Wu Wai Yung Fund**

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	2,688,180	3,123,747
Movements during the year		
Operating income	610,312	238,797
Direct expenses	(395,267)	(182,486)
Interest income on time deposits	34,800	51,945
Gain/(Loss) on foreign exchange	12,366	(543,823)
Amount transferred from/(to) Reserved Fund	<u>262,211</u>	<u>(435,567)</u>
Balance at end of year	<u><u>2,950,391</u></u>	<u><u>2,688,180</u></u>

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

21. Dr. Stella Liu Fund

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	2,863,720	2,837,966
Movements during the year		
Interest income on bond investments	10,494	10,495
Interest income on time deposits	5,416	15,259
Amount transferred from Reserved Fund	<u>15,910</u>	<u>25,754</u>
Balance at end of year	<u><u>2,879,630</u></u>	<u><u>2,863,720</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 2016

22. Mrs. Esther De Sousa Fund

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	2,656,038	2,626,227
Movements during the year		
Interest income on bond investments	10,494	10,495
Interest income on time deposits	6,855	19,316
Amount transfer from Reserved Fund	17,349	29,811
Balance at end of year	<u>2,673,387</u>	<u>2,656,038</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>		
		Provident Fund Reserve	Provident Fund Reserve - 6.8% and Other Posts	Total
	HK\$	HK\$	HK\$	HK\$
Balance at 31st March 2014	108,651,747	6,123,582	13,926,949	20,050,531
Adjustment to opening balance	-	(12,520)	12,520	-
Movements during the year				
Grant received	223,341,886	9,210,699	10,348,314	19,559,013
Personnel emolument/OC/PF net fee/ other income	(210,351,923)	(8,415,615)	(7,667,412)	(16,083,027)
Interest income on time deposits	1,275,192	-	-	-
Amount transferred from Reserved Fund	14,265,155	795,084	2,680,902	3,475,986
Amount transferred to Social Welfare Subvention Surpluses - Central Items Surplus [Note 24]	(38,585)	-	-	-
	<u>14,226,570</u>	<u>795,084</u>	<u>2,680,902</u>	<u>3,475,986</u>
Balance at 31st March 2015	122,878,317	6,906,146	16,620,371	23,526,517
Movements during the year				
Grant received	246,469,667	9,384,472	11,806,795	21,191,267
Personnel emolument/OC/PF net fee/ other income	(236,158,151)	(8,210,473)	(10,507,120)	(18,717,593)
Interest income on time deposits	920,346	-	-	-
Amount transferred from Reserved Fund	11,231,862	1,173,999	1,299,675	2,473,674
Amount refund to Government	-	(2,144,983)	-	(2,144,983)
Transfer from Snapshot Staff to 6.8% and other posts	-	(3,966,079)	3,966,079	-
Amount transferred to Reserve Fund ^{Remark} [Note 12]	(2,479,949)	-	-	-
	<u>8,751,913</u>	<u>(4,937,063)</u>	<u>5,265,754</u>	<u>328,691</u>
Balance at 31st March 2016	<u>131,630,230</u>	<u>1,969,083</u>	<u>21,886,125</u>	<u>23,855,208</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

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

Remark: The amount transferred to Reserve Fund represents the absorption of premium on staff medical scheme for the financial years 2009/2010 to 2014/2015 by the Lump Sum Grant.

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.

24. Social Welfare Subvention Surplus

	<u>Rent and Rates</u> HK\$	<u>Central Items Surpluses</u> HK\$	<u>Total</u> HK\$
Balance at 31st March 2014	(2,150,016)	1,619,014	(531,002)
Movements during the year			
Grant received	9,183,056	2,776,974	11,960,030
Amount repaid to Government	(77,118)	(498,371)	(575,489)
Rent and rates paid	(10,774,833)	-	(10,774,833)
Central items paid	-	(2,253,509)	(2,253,509)
Amount transferred (to)/from Reserved Fund	(1,668,895)	25,094	(1,643,801)
Amount transferred from Lump Sum Grant Reserve [Note 23]	-	38,585	38,585
	<u>(1,668,895)</u>	<u>63,679</u>	<u>(1,605,216)</u>
Balance at 31st March 2015	(3,818,911)	1,682,693	(2,136,218)
Movements during the year			
Grant received	10,720,834	-	10,720,834
Amount repaid to Government	(7,264)	(745,518)	(752,782)
Rent and rates paid	(10,559,056)	-	(10,559,056)
Central items paid	-	(132,347)	(132,347)
Amount transferred from/(to) Reserved Fund	<u>154,514</u>	<u>(877,865)</u>	<u>(723,351)</u>
Balance at 31st March 2016	<u><u>(3,664,397)</u></u>	<u><u>804,828</u></u>	<u><u>(2,859,569)</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2016***25. Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund**

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	2,117,736	2,087,361
Movements during the year		
Grant received	3,922,000	3,589,000
Interest income on time deposits	30,706	42,524
Payment for:		
Minor works projects	(1,208,990)	(1,393,073)
Furniture and equipment	(688,849)	(2,161,576)
Vehicle overhaul	-	(46,500)
Amount transferred from Reserved Fund	<u>2,054,867</u>	<u>30,375</u>
Balance at end of year	<u><u>4,172,603</u></u>	<u><u>2,117,736</u></u>

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

At reporting date, the outstanding commitments in respect of Furniture & Equipment Replenishment and Minor Works Block Grant were as follows :

	<u>2016</u> HK\$	<u>2015</u> HK\$
Contracted for but not provided in the financial statement	<u><u>495,098</u></u>	<u><u>986,326</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

26. Social Welfare Development Fund

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

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
a) SWDF Phase 1		
Balance at beginning of year	553,891	550,808
Interest on time deposits received during the year and amount transferred from Reserved Fund ^{Remark}	-	3,083
Clawback of unspent balance	<u>(553,891)</u>	<u>-</u>
Balance at end of year	<u>-</u>	<u>553,891</u>
b) SWDF Phase 2		
Balance at beginning of year	1,516,819	386,301
Movements during the year		
Grant received	1,878,350	2,049,200
Interest on time deposits	24,353	33,912
Payment for		
1) Expenditure for projects under scope A	(1,203,047)	(903,464)
2) Expenditure for projects under scope B	(317,050)	-
3) Expenditure for projects under administrative support	(80,005)	(49,130)
Amount transferred from Reserved Fund ^{Remark}	<u>302,601</u>	<u>1,130,518</u>
Balance at end of year	<u>1,819,420</u>	<u>1,516,819</u>
Total at end of year	<u>1,819,420</u>	<u>2,070,710</u>
Remark:		
Net amount transferred from Reserved Fund	<u>302,601</u>	<u>1,133,601</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

27. Small Enterprise Fund (SWD)

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

<u>Projects</u>	Balance brought forward HK\$	Grant received HK\$	Transferred to Reserved Fund HK\$	Balance carried forward HK\$
2016				
Cultural Kiosk	37,816	-	(37,816)	-
Café 330 - PWH	394,019	-	(16,392)	377,627
Café 330 - CU	1,089,787	49,047	(322,549)	816,285
Café 330 - HKU	821,305	15,256	(426,293)	410,268
Farmfresh 330 - Wun Sha Street	99,760	-	(99,760)	-
RWB 330	600,388	-	(262,139)	338,249
	<u>3,043,075</u>	<u>64,303</u>	<u>(1,164,949)</u>	<u>1,942,429</u>
2015				
Cultural Kiosk	37,816	-	-	37,816
Eco Tourism	41,915	-	(41,915)	-
Café 330 - PWH	528,811	-	(134,792)	394,019
Café 330 - CU	950,805	460,248	(321,266)	1,089,787
Café 330 - HKU	(337,993)	1,680,646	(521,348)	821,305
Farmfresh 330 - Wun Sha Street	199,520	-	(99,760)	99,760
RWB 330	735,744	-	(135,356)	600,388
	<u>2,156,618</u>	<u>2,140,894</u>	<u>(1,254,437)</u>	<u>3,043,075</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 2016

28. Lotteries Fund

	<u>2016</u> HK\$	<u>2015</u> HK\$
a) Procurement of Furniture and Equipment:		
Work Extension Programme	433,069	-
The Wellness Centre - Sham Shui Po	-	333,429
The Wellness Centre - Yau Tsim Mong	-	279,265
	433,069	612,694
b) Procurement of Vehicle:		
Kwai Shing Sheltered Workshop	298,982	-
Tin King Sheltered Workshop	298,982	-
	597,964	-
c) Fitting-out Works:		
Joyous Place - Shatin Hospital	824,790	-
The Wellness Centre - Tuen Mun	977,288	-
The Wellness Centre - Islands	432,849	11,400
The Wellness Centre - Sham Shui Po	180,429	3,906,317
The Wellness Centre - Tuen Mun (Wu King)	-	364,640
The Wellness Centre - Tuen Mun (On Ting)	1,093,712	110,000
	3,509,068	4,392,357
d) Renovation Works		
Tuen Mun Long Stay Care Home	1,598,284	5,043,567
e) Reinstatement		
Jockey Club New Life Hostel	-	175,000
f) Undertake Fire Safety/Building Safety Rectification Measures:		
New Life Building Halfway House I	13,200	-
New Life Building Halfway House II	10,800	-
New Life Building Halfway House III	9,600	-
	33,600	-
	<u>6,171,985</u>	<u>10,223,618</u>

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

At 31st March 2016, the outstanding commitments in respect of the Lotteries Fund Block Grant and the Lotteries Fund Project Grant are as follows:

	<u>2016</u> HK\$	<u>2015</u> HK\$
Contracted for but not provided in the financial statement in respect of:		
Lotteries Fund Block Grant	495,098	585,776
Lotteries Fund Project Grant	910,670	2,612,673
	<u>1,405,768</u>	<u>3,198,449</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2016***29. 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>2016</u>	<u>2015</u>
	HK\$	HK\$
Central Administration		
Central Administration Expenses	106,368	726,286
Management Office at New Life Building	(100,314)	38,044
	6,054	764,330
Workshops and Hostels		
Sun Chui Halfway House	(4,220)	(7,703)
Pok Hong Halfway House	(4,041)	(5,290)
Tin Yuet Halfway House	(7,917)	(6,038)
Shan King Halfway House	(4,249)	(20,132)
Shek Lei Halfway House	(3,536)	(5,151)
Chuk Yuen Halfway House	(4,220)	(850)
Lei Tung Halfway House	(4,428)	(10,065)
New Life Building Halfway House (I)	(5,200)	(9,428)
New Life Building Halfway House (II)	(4,279)	(6,284)
New Life Building Halfway House (III)	(2,924)	(8,627)
Jockey Club Farm House	(10,707)	(6,309)
New Life Jubilee Hostel	(5,232)	(8,511)
Tin King Hostel	(6,232)	(7,753)
Joyous Place	1,447	(4,759)
Tuen Mun Long Stay Care Home	(73,405)	(61,205)
New Life Building Long Stay Care Home	(32,183)	(52,859)
The Wellness Centre - Sham Shui Po	(9,399)	(12,277)
The Wellness Centre - Tuen Mun	(10,658)	(11,984)
The Wellness Centre - Shatin	(3,883)	(19,500)
The Wellness Centre - Tin Shui Wai	(13,324)	(10,856)
The Wellness Centre - Kwai Chung	(6,931)	(10,029)
The Wellness Centre - Yau Tsim Mong	2,435	(8,105)
The Wellness Centre - Islands	(4,768)	(6,804)
Balance of Workshops and Hostels carried down	(217,854)	(300,519)

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

29. Transfer of surpluses social welfare subvention (continued)

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

	<u>2016</u> HK\$	<u>2015</u> HK\$
Workshops and Hostels		
Balance of Workshops and Hostels brought down	(217,854)	(300,519)
Kwai Shing Sheltered Workshop	14,852	(10,417)
Shek Pai Wan Integrated Work Centre	(2,413)	(1,481)
Tin King Sheltered Workshop	7,383	(11,756)
Chuk Yuen Integrated Work Centre	11,590	11,920
New Life Building Sheltered Workshop	(16,931)	(3,357)
New Life Farm Sheltered Workshop	(76,488)	(79,710)
Agency-Based Vocational Support	(1,486)	(611)
Work Extension Programme	(1,337)	(1,816)
Supported Employment Service	(20,480)	154,318
On the Job Training Programme	-	(611)
	<u>(303,164)</u>	<u>(244,040)</u>
	<u>(297,110)</u>	<u>520,290</u>

30. Categories of financial assets and financial liabilities

	<u>2016</u> HK\$	<u>2015</u> HK\$
Financial assets:		
Non-current assets -		
Available-for-sale investments, at fair value	8,006,555	10,265,376
Held-to-maturity investments, at amortised cost	3,009,553	13,038,540
Current assets - at amortized cost:		
Receivables [excluding prepayments]	24,825,392	22,124,058
Bank deposits and cash	<u>238,768,229</u>	<u>221,167,842</u>
	<u>274,609,729</u>	<u>266,595,816</u>
Financial liabilities:		
Current liabilities - at amortized cost:		
Payables [excluding receipt in advance]	<u>23,453,451</u>	<u>19,250,235</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

31. 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>2016</u>	<u>2015</u>
	HK\$	HK\$
Not later than one year	6,442,133	9,620,631
Later than one year but not later than five years	<u>1,163,400</u>	<u>2,393,880</u>
	<u>7,605,533</u>	<u>12,014,511</u>

32. 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 [2015 - Same].

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2016***33. Statement of Financial Position of the Association at 31st March 2016**

	<u>Note</u>	<u>2016</u> HK\$	<u>2015</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	33(a)	5,376,141	4,388,573
Investment in subsidiary company	33(b)	4,007,373	(3,668,209)
Investment in securities	7	<u>11,016,108</u>	<u>23,303,916</u>
		20,399,622	24,024,280
CURRENT ASSETS			
Inventories - goods for sale		689,925	642,328
Accounts and other receivables	33(c)	31,158,357	26,385,214
Time deposits with banks	9	226,372,302	211,103,791
Bank and cash balances		11,898,430	8,435,645
		270,119,014	246,566,978
CURRENT LIABILITIES			
Creditors and accruals	33(d)	(21,316,587)	(17,610,709)
NET CURRENT ASSETS		<u>248,802,427</u>	<u>228,956,269</u>
NET ASSETS		<u>269,202,049</u>	<u>252,980,549</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

33. Statement of Financial Position of the Association at 31st March 2016 (continued)

	<u>Note</u>	<u>2016</u> HK\$	<u>2015</u> HK\$
<i>representing:</i>			
DESIGNATED FUNDS			
Reserved Fund	33(e)	17,003,986	17,750,074
Investment Revaluation Reserve	13	(84,682)	35,465
Fund for Ching Kung House	14	2,208,907	2,063,468
Staff Welfare and Development Fund	15	2,163,368	1,627,696
Service Users' and Families' Welfare and Charitable Fund	16	1,404,559	1,416,959
Flag Day Fund	17	10,680,783	10,288,921
Production Floating Fund	18	67,827,921	62,257,059
Fundraising Campaign Fund	19	875,907	875,907
Dr. Wu Wai Yung Fund	20	2,950,391	2,688,180
Dr. Stella Liu Fund	21	2,879,630	2,863,720
Mrs. Esther De Sousa Fund	22	2,673,387	2,656,038
		110,584,157	104,523,487
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	23	131,630,230	122,878,317
Provident Fund Reserve	23	23,855,208	23,526,517
Social Welfare Subvention Surpluses			
Rent and Rates	24	(3,664,397)	(3,818,911)
Central Items Surpluses	24	804,828	1,682,693
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund	25	4,172,603	2,117,736
Re-Structuring and Re-Engineering		-	-
Additional Resources for Para-medical Staff		-	-
Social Welfare Development Fund	26	1,819,420	2,070,710
		158,617,892	148,457,062
		269,202,049	252,980,549

Approved and authorised for issue by the Executive Committee on **19 AUG 2016**



Prof. CHEUNG Mui Ching, Fanny
Chairperson



Mr. YOUNG Wai Tsing, Stephen
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

33. Statement of Financial Position of the Association at 31st March 2016 (continued)

(a) Property, plant and equipment

	<u>Land and Buildings</u> HK\$	<u>Furniture and Equipment</u> HK\$	<u>Vehicle</u> HK\$	<u>Computer</u> HK\$	<u>Total</u> HK\$
<i>At cost</i>					
At 31st March 2015	2	7,202,066	44,900	1,967,164	9,214,132
Additions	-	2,068,768	204,220	1,741,742	4,014,730
Disposal	-	(22,778)	-	-	(22,778)
At 31st March 2016	2	9,248,056	249,120	3,708,906	13,206,084
<i>Accumulated depreciation</i>					
At 31st March 2015	-	3,942,308	24,826	858,425	4,825,559
Charge for the year	-	2,090,517	37,368	890,824	3,018,709
Written back on disposal	-	(14,325)	-	-	(14,325)
At 31st March 2016	-	6,018,500	62,194	1,749,249	7,829,943
<i>Net book value</i>					
At 31st March 2016	2	3,229,556	186,926	1,959,657	5,376,141
At 31st March 2015	2	3,259,758	20,074	1,108,739	4,388,573

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

The Association's premises are located at:

1. Farm land at Lot Nos. TMTL No. 383
2. Ching Kung House at Flat A, 3/F, No. 30 Nassau Street, Kowloon

(b) Investment in subsidiary company

	<u>2016</u> HK\$	<u>2015</u> HK\$
Unlisted shares, at cost	20	20
Amount due from/(to) subsidiary company	4,007,353	(3,668,229)
	<u>4,007,373</u>	<u>(3,668,209)</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% [50% held directly by the Association and 50% held by the trustee on behalf of the Association]
Nature of activity	:	operating projects for the benefit of people with disabilities through provision of training and employment opportunities

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2016***33. Statement of Financial Position of the Association at 31st March 2016 (continued)***(c) Account and other receivables*

	<u>2016</u> HK\$	<u>2015</u> HK\$
Contract deposits	3,994,380	3,944,601
Accounts receivable	5,999,331	7,780,751
Rental deposits	1,215,526	1,261,726
Utility deposits	1,105,831	1,093,532
Sundry deposits	99,665	99,565
Prepayments	7,989,957	5,335,651
Dividend receivable	238,914	-
Interest receivable	273,184	417,909
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	3,045,039	945,688
Intensive Employment Assistance Project New Dawn	10,866	10,866
Intensive Employment Assistance Project Enhanced New Dawn	9,489	9,489
Integrated Employment Assistance Scheme (Kwai Tsing)	665,215	665,215
Intensive Employment Assistance Project Community Care Fund	162,925	7,447
Health Care & Promotion Fund	79,824	280,989
Employees Retraining Board Fund	39,225	-
Hong Kong Jockey Club Charities Trust	4,707,402	2,885,884
Community Investment and Inclusion Fund	274,467	336,238
HSBC (Community Chest 45th Anniversary Fund)	276,182	617,341
Food Sharing Project	70,982	-
Environment and Conservation Fund	898,953	691,322
	<u>31,158,357</u>	<u>26,385,214</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION*Notes to the Financial Statements for the year ended 31st March 2016***33. Statement of Financial Position of the Association at 31st March 2016 (continued)***(d) Creditors and accruals*

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Accounts payable	1,969,002	2,070,422
Accruals	2,991,771	1,180,814
Other payables	9,196,320	5,284,124
Receipt in advance (included temporary credit)	115,506	308,136
Deferred income	4,173,431	2,811,224
Deposits of clients (for keys and lockers)	62,370	46,120
Rental deposits	35,200	35,200
Other deposits received	459,130	51,580
Accounts with:		
Integrated Employment Assistance Scheme (Wong Tai Sin)	395,609	395,609
Integrated Employment Assistance Programme for Self-reliance	480,505	198,364
Enhancing Employment of People with Disabilities through Small Enterprises Project	261,216	514,685
Employees Retraining Board Fund	-	791
Queen Elizabeth Foundation for the Mentally Handicapped	65,863	-
UPS Foundation	106,799	159,342
Food Sharing Project	-	442,303
Keswick Foundation	254,883	956,674
Contribution	88,506	2,687,259
BMCPCC Charitable Fund	19,241	-
Mindset Peer Support Worker Project	641,235	468,062
	<u>21,316,587</u>	<u>17,610,709</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2016

33. Statement of Financial Position of the Association at 31st March 2016 (continued)

(e) Reserved Fund

	<u>2016</u> HK\$	<u>2015</u> HK\$
Balance at beginning of year	17,750,074	23,544,086
Movements during the year		
Surplus for the year	<u>19,040,521</u>	<u>17,739,345</u>
Transfer to various funds and reserves*	<u>(19,786,609)</u>	<u>(23,533,357)</u>
Deficit for the year after transfer ^{Remark}	<u>(746,088)</u>	<u>(5,794,012)</u>
Balance at end of year	<u><u>17,003,986</u></u>	<u><u>17,750,074</u></u>

Remark:

Deficit for the year after transfer represents:

(Deficit)/Surplus from subvented units
[Note 29]

(297,110) 520,290

(Deficit)/Surplus from Community Chest
allocation

(200,570) 2,120

Deficit from self financed units/projects

(1,753,810) (674,703)

Interest income on time deposits/bond
investments

672,784 1,010,331

Dividend income

837,033 545,784

Impairment loss on available-for-sale
investments

(2,688,943) (3,619,362)

Gain/(Loss) on foreign exchange on time
deposits for Reserve Fund

204,579 (3,578,472)

Premium on staff medical scheme absorbed by
Lump Sum Grant [Note 23]

2,479,949 -

(746,088) (5,794,012)

* Transfer amount per consolidated financial
statements

18,621,660 22,278,920

Exclusion of transfer amount from Small Enterprise
Fund (SWD) for operation of subsidiary
company

1,164,949 1,254,437

19,786,609 23,533,357