

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 2017

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 2017

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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

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 2017.

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, 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.

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 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 71 service units/projects and 22 social enterprises serving nearly 15,000 PIR. The number of Target Population reached by Public Education approached 43,000 approximately.

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. 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 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 carers 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.

BUSINESS REVIEW (continued)

(II) Core Services (continued)

(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.

(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 Association has in place a risk management policy and maintains a risk register to manage its corporate and operational risks. 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 72% of the Association's total incomes come from the following stable sources:

- i) Subventions from the Social Welfare Department (66%)
- ii) Fee income from service recipients (6%)

(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, the improvements were encouraging.

BUSINESS REVIEW (continued)

(III) Principle risks and uncertainties (continued)

(c) Service Quality Risks

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

(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 2016/17, the Association maintains a membership of 144.

(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

As at end of March 2017, the Association has a workforce of 1,080 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.

BUSINESS REVIEW (continued)

(IV) Key Relationships (continued)

(d) External Partners (continued)

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:

- (a) Love Green Day 2017 was held in January 2017 to raise environmental awareness among staff members. With a series of cross-unit green activities and initiatives, “Love Green Action Plan” fostered green culture within the Association and enhanced environmental awareness and sense of social responsibility among staff.
- (b) For the 5th consecutive year, New Life Farm was awarded Community Waste Reduction Program initiated by Environmental Protection Department. “Food Waste Recycle Green & Fun” was launched in January 2017 targeting at-source waste reduction and food waste recycling through public education programs. Food waste was collected from the community and transformed into fertilizers, which were then used for household planting to promote organic healthy living.
- (c) Food sharing projects were continued in Wong Tai Sin and Tuen Mun districts. To further promote food waste reduction, support from Environmental and Conservation Fund was obtained to support food recovery activities. Educational programs and talks were also organised at schools and community.
- (d) A community involvement project “Waste Reduction Get, Set Go!” was implemented with funding support from Environmental and Conservation Fund at New Life Building. It aims to simulate the Quantity-based Municipal Solid Waste Charging measures with the “Pay As You throw” principle and to prepare service units to properly separate waste at source.

(VI) Important events for Financial Year 2016/2017

- (a) The Association formulated a strategic plan for the next five years from 2016 to 2021. The strategic plan was developed with 6 major Strategic Initiatives covering 25 strategic objectives and key performance indicators. The Association invited consultants to support the management in identifying key performance indicators and incorporating into the annual plan.

BUSINESS REVIEW (continued)

(VI) Important events for Financial Year 2016/2017 (continued)

- (b) Building on considerable experience in recovery-oriented practices, the Association pursued its vision to expand the service from recovery to promotion of well-being last year. While integrating the recovery and well-being model, the existing service model was developed based on the strengths, capabilities and available resources of the Association.
- (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 online mindfulness practice, accessible via the 330 website and mobile app, as well as a series of interest classes, the project offered simple tools to support people in managing stress and improving their well-being.
- (d) Co-organised with Golden Scene Company Ltd, the "Mad World" Charity Gala Premiere was held on 24 March 2017. A total of \$360,000 was raised to support public education efforts to increase awareness of mental health among the general public. A sharing session was hosted after the screenplay with the film director, screenwriter and main casts members.
- (e) Providing innovative and people-focus services to meet the needs of the community, the Association launched several new projects during the year
 - i) JC JoyAge – Jockey Club Holistic Support Project for Elderly Mental Wellness:
With funding support from Hong Kong Jockey Club Charities Trust, the Association, in collaboration with The University of Hong Kong and 5 NGOs, initiated a 3-year pilot project to reduce the risk of elderly depression through early identification and intervention by conducting outreach engagements and public education activities.
 - ii) Chow Tai Fook Charity Foundation – Psychiatric Medical Subsidy Project:
With support from the Chow Tai Fook Charity Foundation, Psychiatric Medical Subsidy Project was launched to subsidize cost of psychiatric treatment for those aged 25 years or below, who are waiting for public psychiatric services and with financial difficulties in accessing private psychiatric care.

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

Financial results for the year ended 31st March 2017 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 18 and 19 respectively.

	2016/2017	2015/2016
Return on Net Assets (change in net assets / average total net assets)	3.70%	5.80%
Current Ratio (current assets / current liabilities)	9.9	11.8

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, 25 AUG 2017

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]

Opinion

We have audited the consolidated financial statements of New Life Psychiatric Rehabilitation Association and its subsidiary ["the Group"] set out on pages 13 to 52, which comprise the consolidated statement of financial position as at 31st March 2017, 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 2017, 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 financial report and financial statements, other than 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 HKSA's 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.

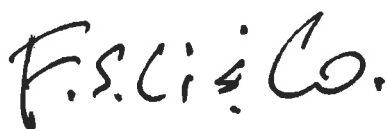
As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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, 25 AUG 2017

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2017**

	<u>Note</u>	<u>2017</u> HK\$	<u>2016</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	6	15,622,536	6,965,210
Investment in securities	7	<u>8,000,778</u>	<u>11,016,108</u>
		23,623,314	17,981,318
CURRENT ASSETS			
Inventories - goods for sale		858,722	989,586
Accounts and other receivables	8	34,114,862	41,529,414
Time deposits with banks	9	240,945,903	226,372,302
Bank and cash balances		15,720,057	12,395,927
		291,639,544	281,287,229
CURRENT LIABILITIES			
Creditors and accruals	10	(29,251,432)	(23,707,747)
Tax payable		(93,097)	(93,097)
		(29,344,529)	(23,800,844)
NET CURRENT ASSETS		262,295,015	257,486,385
NET ASSETS		285,918,329	275,467,703
NET ASSETS HELD ON BEHALF OF MINDSET PLACE - property management account	11	<u>164,689</u>	<u>161,272</u>
		286,083,018	275,628,975

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2017

(Continued)

	<u>Note</u>	<u>2017</u> HK\$	<u>2016</u> HK\$
<i>representing:</i>			
DESIGNATED FUNDS			
Reserved Fund	12	18,237,924	21,327,211
Investment Revaluation Reserve	13	(35,413)	(84,682)
Fund for Ching Kung House	14	2,345,708	2,208,907
Staff Welfare and Development Fund	15	2,410,714	2,163,368
Service Users' and Families' Welfare and Charitable Fund	16	1,470,981	1,404,559
Flag Day Fund	17	10,656,522	10,680,783
Production Floating Fund	18	73,939,547	67,827,921
Fundraising Campaign Fund	19	875,907	875,907
Dr. Wu Wai Yung Fund	20	3,077,394	2,950,391
Dr. Stella Liu Fund	21	1,882,753	2,879,630
Mrs. Esther De Sousa Fund	22	2,699,640	2,673,387
		117,561,677	114,907,382
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	23	136,643,363	131,630,230
Provident Fund Reserve	23	26,488,795	23,855,208
Social Welfare Subvention Surpluses			
Rent and Rates	24	(1,015,812)	(3,664,397)
Central Items Surpluses	24	420,779	804,828
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund	25	3,926,614	4,172,603
Social Welfare Development Fund	26	195,369	1,819,420
Small Enterprise Fund (SWD)	27	1,697,544	1,942,429
		168,356,652	160,560,321
		285,918,329	275,467,703
PROPERTY MANAGEMENT RESERVES HELD ON BEHALF OF MINDSET PLACE			
	28	164,689	161,272
		<u>286,083,018</u>	<u>275,628,975</u>

The financial statements on page 13 to 52 were approved and authorised for issue by the Executive Committee on **25 AUG 2017**



Prof. CHEUNG Mui Ching, Fanny
Chairperson



Mr. YOUNG Wai Tsing, Stephen
Honorary Treasurer

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31ST MARCH 2017**

	<u>2017</u> HK\$	(Revised) <u>2016</u> HK\$
INCOME		
Social Welfare Lump Sum Grant	283,971,629	267,660,934
Social Welfare Designated Subvention		
Central Items	-	-
Central Items - Amount refunded to Government	(380,049)	(745,518)
Rent and Rates	14,233,728	10,720,834
Rent and Rates - Amount refunded to Government	(1,504)	(7,264)
Social Welfare Development Fund	1,402,300	1,878,350
Intensive Employment Assistance Programme for Self-reliance	1,614,873	1,443,005
Furniture and Equipment Replenishment and Minor Works Block Grant	4,258,000	3,922,000
Hospital Authority	1,790,400	1,740,198
Employees Retraining Fund	179,924	160,757
Community Chest	1,142,100	1,219,680
HSBC (Community Chest 45th Anniversary Fund)	1,117,417	642,264
Other grants	6,709,505	8,826,858
Lotteries Fund [Note 29]	1,898,138	6,171,985
Hong Kong Jockey Club Charities Trust	24,490,617	11,458,372
Donations	2,082,060	2,460,331
Dues and Fees	25,862,099	24,420,872
Members' Subscriptions	4,400	3,700
Rental Income	265,800	255,736
Mental health promotion programme	55,087	38,187
Miscellaneous Receipts	1,037,923	1,277,145
Grants transferred to Deferred Income	(329,546)	(2,862,210)
OPERATING INCOME	371,404,901	340,686,216
OTHER INCOME		
Production income	82,337,351	85,443,528
Interest income on bank deposits	1,821,629	1,688,754
Interest income on bond investments	45,330	27,556
Dividend income on marketable investments	677,691	837,033
Gain on disposal of available-for-sale investments	1,614,468	-
Gain on foreign exchange	2,403	216,945
Property manager remuneration	8,972	8,200
	86,507,844	88,222,016
TOTAL INCOME CARRIED DOWN	457,912,745	428,908,232

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2017**

(continued)

	<u>2017</u> HK\$	(Revised) <u>2016</u> HK\$
INCOME		
TOTAL INCOME BROUGHT DOWN	457,912,745	428,908,232
EXPENDITURE		
Personnel Emoluments	(261,253,554)	(240,039,597)
Cost of Operation	(14,596,964)	(14,681,228)
Administration	(14,503,512)	(11,047,900)
Utilities	(6,694,262)	(6,209,919)
Stores and Equipment	(24,290,352)	(13,683,595)
Programme Expenses	(7,463,795)	(5,813,055)
Transport and Travelling	(1,258,771)	(1,204,705)
Designated Subvention Items		-
Central Items	(4,000)	(132,347)
Rent and rates	(11,583,639)	(10,559,056)
Social Welfare Development Fund	(3,041,656)	(1,600,102)
Intensive Employment Assistance Programme for Self-reliance	(1,638,860)	(1,443,005)
Furniture and Equipment Replenishment and Minor Works Block Grant	(4,551,611)	(1,897,839)
Hospital Authority	(2,001,026)	(1,861,114)
Employees Retraining Fund	(179,924)	(160,757)
Community Chest	(1,142,100)	(1,219,680)
HSBC (Community Chest 45th Anniversary Fund)	(1,117,417)	(642,264)
Grants Utilized	(5,236,938)	(8,329,465)
Lotteries Fund [Note 29]	(1,898,138)	(6,171,985)
Hong Kong Jockey Club Charities Trust	(24,490,617)	(11,458,372)
Production expenses	(64,089,988)	(69,735,176)
Loss on foreign exchange	(9,148)	-
Mental health promotion programme	(97,816)	(133,449)
	(451,144,088)	(408,024,610)
IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENTS - Write-back/(Impairment)	<u>740,911</u>	<u>(2,688,943)</u>
SURPLUS OF RESERVE FUND BEFORE TAXATION	7,509,568	18,194,679
TAXATION [Note 5]	<u>-</u>	<u>(32,034)</u>
SURPLUS OF RESERVE FUND FOR THE YEAR	7,509,568	18,162,645
ITEMS INCLUDED IN SMALL ENTERPRISES FUND (SWD)		
Grant for Small Enterprise Fund (SWD) for the year	<u>2,891,789</u>	<u>64,303</u>
NET SURPLUS FOR THE YEAR	<u><u>10,401,357</u></u>	<u><u>18,226,948</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2017

	<u>2017</u> HK\$	<u>2016</u> HK\$
NET SURPLUS FOR THE YEAR	10,401,357	18,226,948
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Change in fair value of available-for-sale investments [Note 13]	790,180	(2,809,089)
Impairment loss on available-for-sale investments recognised in surplus or deficit [Note 13]	(740,911)	2,688,942
	49,269	(120,147)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>10,450,626</u>	<u>18,106,801</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

**CONSOLIDATED STATEMENT OF RESERVE FUND
FOR THE YEAR ENDED 31ST MARCH 2017**

(continued)

	<u>2017</u> HK\$	<u>2016</u> HK\$
NET SURPLUS FOR THE YEAR BEFORE TRANSFER	7,509,568	18,162,645
TRANSFER FROM/(TO):		
Designated funds -		
Fund for Ching Kung House [Note 14]	(136,801)	(145,439)
Staff Welfare and Development Fund [Note 15]	(247,346)	(535,672)
Service Users' and Families' Welfare and Charitable Fund [Note 16]	(66,422)	12,400
Flag Day Fund [Note 17]	24,261	(391,862)
Production Floating Fund [Note 18]	(6,111,626)	(5,570,862)
Dr. Wu Wai Yung Fund [Note 20]	(127,003)	(262,211)
Dr. Stella Liu Fund [Note 21]	996,877	(15,910)
Mrs. Esther De Sousa Fund [Note 22]	(26,253)	(17,349)
Subvention account -		
Lump Sum Grant Reserve Fund		
Lump Sum Grant Reserve [Note 23]	(4,987,933)	(8,751,913)
Provident Fund Reserve [Note 23]	(2,619,187)	(2,473,674)
Social Welfare Subvention Surpluses		
Rent and Rates [Note 24]	(2,648,585)	(154,514)
Central Items Surpluses [Note 24]	384,049	877,865
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund [Note 25]	245,989	(2,054,867)
Social Welfare Development Fund [Note 26]	1,624,051	(302,601)
Small Enterprise Fund (SWD) [Note 27]	3,136,674	1,164,949
Net amount transfer	<u>(10,559,255)</u>	<u>(18,621,660)</u>
DEFICIT FOR THE YEAR AFTER TRANSFER [Note 12]	(3,049,687)	(459,015)
RESERVED FUND BROUGHT FORWARD	<u>21,327,211</u>	<u>21,786,226</u>
RESERVED FUND CARRIED FORWARD	<u><u>18,277,524</u></u>	<u><u>21,327,211</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES FOR THE YEAR ENDED 31st MARCH 2017

	DESIGNATED FUND										DESIGNATED FUND TOTAL
	Reserved Fund	Investment Revaluation Reserve	Fund for Ching King House	Staff Welfare and Development Fund	Service Users' and Families' Welfare and Charitable Fund	Flag Day Fund	Production Planting Fund	Fundraising Campaign Fund	Dr. Wu Wai Young Fund	Dr. Stella Liu Fund	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 31st March 2015	21,786,226	35,465	2,063,468	1,627,696	1,416,959	10,288,321	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	-	(2,809,089)	-	-	-	-	-	-	-	-	(2,809,089)
Impairment loss on available-for-sale investments recognised in surplus or deficit	-	2,688,942	-	-	-	-	-	-	-	-	2,688,942
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	-	362,211	15,910	(11,694,755)
Balance as at 31st March 2016	21,327,211	(84,682)	2,208,907	2,163,368	1,404,559	10,680,183	67,827,921	875,907	2,950,391	2,879,630	114,907,382
Surplus for the year ended 31st March 2017	7,509,568	-	-	-	-	-	-	-	-	-	7,509,568
Change in fair value of available-for-sale investments	-	790,180	-	-	-	-	-	-	-	-	790,180
Impairment loss on available-for-sale investments recognised in surplus or deficit	-	(740,911)	-	-	-	-	-	-	-	-	(740,911)
Total comprehensive income for the year ended 31st March 2017	7,509,568	49,269	-	-	-	-	-	-	-	-	7,558,837
Transfer	(10,598,855)	-	136,801	247,346	66,422	(24,261)	6,111,626	-	127,003	(996,877)	(4,904,542)
Balance as at 31st March 2017	18,237,924	(35,413)	2,345,708	2,410,714	1,470,981	10,655,922	73,939,547	875,907	3,077,394	1,882,753	117,561,677

	SUBVENTION ACCOUNT										DESIGNATED FUND TOTAL
	Lump Sum Grant Reserve Fund	Proident Fund Reserve	Social Welfare Subvention Surpluses - Rent & rates	Social Welfare Subvention Surpluses - Central Items surpluses	Equipment Replacement and Minor Works Block Grant Reserve Fund	One-off Subsidy for Non-government to reinforce their organisation Re-structuring and Service Re-engineering Efforts	Additional Resources for Para-medical Staff funded by Lotteries Fund	Social Welfare Development Fund	Small Enterprise Fund (SEMF)	SUBVENTION ACCOUNT TOTAL	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 31st March 2015	122,878,317	23,536,517	(3,818,911)	1,682,693	2,117,736	-	-	2,070,710	3,043,075	151,500,137	108,559,639
Surplus for the year ended 31st March 2016	-	-	-	-	-	-	-	-	-	-	18,162,645
Grants for Small Enterprise Fund (SEMF)	-	(2,144,983)	-	-	-	-	-	(553,891)	-	(2,698,874)	64,303
Change in fair value of available-for-sale investments	-	-	-	-	-	-	-	-	-	-	(2,809,089)
Impairment loss on available-for-sale investments recognised in surplus or deficit	-	2,473,674	154,514	(877,865)	2,054,867	-	-	302,601	(1,164,949)	11,694,755	2,688,942
Total comprehensive income for the year ended 31st March 2016	8,751,933	23,855,208	(3,664,397)	804,828	4,172,603	-	-	1,819,420	1,942,429	160,560,371	15,417,859
Transfer	131,630,230	-	-	-	-	-	-	-	-	-	(2,698,874)
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	160,560,371	114,907,382
Surplus for the year ended 31st March 2017	-	-	-	-	-	-	-	-	-	-	7,509,568
Grants for Small Enterprise Fund (SEMF)	-	-	-	-	-	-	-	-	2,891,789	2,891,789	-
Change in fair value of available-for-sale investments	-	-	-	-	-	-	-	-	-	-	790,180
Impairment loss on available-for-sale investments	-	-	-	-	-	-	-	-	-	-	(740,911)
Total comprehensive income for the year ended 31st March 2017	-	-	-	-	-	-	-	-	2,891,789	2,891,789	7,558,837
Claw back of unspent balance	-	-	-	-	-	-	-	-	-	-	-
Transfer	4,987,933	2,619,187	2,648,585	(384,049)	(245,589)	-	-	(1,624,051)	(3,136,674)	4,864,942	(4,904,542)
Balance as at 31st March 2017	136,618,163	26,474,395	(1,015,812)	420,779	3,926,614	-	-	195,369	1,697,544	168,317,052	117,561,677

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017

	<u>2017</u> HK\$	<u>2016</u> HK\$
Cash flows from operating activities		
Surplus before taxation	7,509,568	18,194,679
Surplus of Small Enterprises Fund	<u>2,891,789</u>	<u>64,303</u>
	10,401,357	18,258,982
Adjustments for:		
Interest income on time deposits	(1,821,629)	(1,688,754)
Interest income on bond investments	(45,330)	(27,556)
Dividend income on marketable investments	(677,691)	(837,033)
Gain on disposal of available-for-sale investments	(1,614,468)	-
Impairment loss on available-for-sale investments - (Write-back)/Impairment	(740,911)	2,688,943
Depreciation on property, plant and equipment	7,688,350	4,425,660
Loss on disposal of property, plant and equipment	<u>15,660</u>	<u>69,600</u>
Operating surplus before working capital changes	13,205,338	22,889,842
(Increase)/Decrease in:		
Inventories	130,864	(3,229)
Accounts and other receivables	7,629,819	(13,714,149)
Increase in creditors and accruals	<u>5,543,685</u>	<u>3,868,276</u>
Net cash from operating activities	26,509,706	13,040,740
Cash flows from investing activities		
Interest received on time deposits	1,626,542	1,833,479
Interest received on bond investments	49,683	56,543
Maturity of bond	2,000,000	10,000,000
Dividends received	57,796	47,850
Proceeds on disposal of available-for-sale investments	7,027,840	-
Purchase of available-for-sale investments	(3,012,500)	-
Payment on purchase of property, plant and equipment	(16,361,336)	(4,679,351)
Net (increase)/decrease in bank deposits of more than 3 months to maturity from date of deposit	<u>(18,568,217)</u>	<u>9,971,630</u>
Net cash from investing activities	(27,180,192)	17,230,151
Cash flows from financing activities		
Amount refunded to SWD (claw back of unspent balances)	<u>-</u>	<u>(2,698,874)</u>
Net cash from/(used in) financing activities	<u>-</u>	<u>(2,698,874)</u>
Net (decrease)/increase in cash and cash equivalents	(670,486)	27,572,017
Cash and cash equivalents at beginning of year	<u>109,994,440</u>	<u>82,422,423</u>
Cash and cash equivalents at end of year	<u><u>109,323,954</u></u>	<u><u>109,994,440</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017

(continued)

	<u>2017</u> HK\$	<u>2016</u> HK\$
Analysis of balances of cash and cash equivalents		
Time deposits with bank	240,945,903	226,372,302
Bank and cash balances	<u>15,720,057</u>	<u>12,395,927</u>
	256,665,960	238,768,229
Time deposits of more than 3 months to maturity from date of deposit	<u>(147,342,006)</u>	<u>(128,773,789)</u>
	<u><u>109,323,954</u></u>	<u><u>109,994,440</u></u>
<i>Non-cash transactions:</i>		
During the year the Group received scrip dividends in lieu of cash dividends of	<u><u>599,715</u></u>	<u><u>790,370</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

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 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.

3. Surplus before taxation

Surplus before taxation is arrived after charging the following:-

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
Auditors' remuneration	246,200	233,500
Staff costs	261,253,554	240,039,597
Depreciation on property, plant and equipment	7,688,350	4,425,660
Loss on disposal of property, plant and equipment	15,660	69,600
Rent under operating leases	<u>13,288,914</u>	<u>12,342,489</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 [2016 - 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.

No provision for Hong Kong profits tax has been made as the subsidiary company did not have assessable profits for the year [2016 - 16.5% on estimated assessable profits, net tax concession].

There is no deferred tax liability.

At the reporting date, the Group has unused tax losses and deductible temporary differences of HK\$729,000 and HK\$2,808,000 [2016 - Nil and HK\$432,000] 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 2017

6. Property, plant and equipment

	<u>Land and Buildings</u> HK\$	<u>Construction and fitting out</u> HK\$	<u>Furniture and Equipment</u> HK\$	<u>Vehicle</u> HK\$	<u>Computer</u> HK\$	<u>Total</u> HK\$
<i>At cost</i>						
At 31st March 2016	2	6,577,193	11,690,653	504,529	3,708,906	22,481,283
Additions	-	7,613,247	6,512,232	503,778	1,732,079	16,361,336
Disposal	-	-	(56,805)	-	-	(56,805)
At 31st March 2017	2	14,190,440	18,146,080	1,008,307	5,440,985	38,785,814
<i>Accumulated depreciation</i>						
At 31st March 2016	-	(5,461,188)	(7,988,033)	(317,603)	(1,749,249)	(15,516,073)
Charge for the year	-	(2,724,152)	(3,601,068)	(112,935)	(1,250,195)	(7,688,350)
Written back on disposal	-	-	41,145	-	-	41,145
At 31st March 2017	-	(8,185,340)	(11,547,956)	(430,538)	(2,999,444)	(23,163,278)
<i>Net book value</i>						
At 31st March 2017	2	6,005,100	6,598,124	577,769	2,441,541	15,622,536
At 31st March 2016	2	1,116,005	3,702,620	186,926	1,959,657	6,965,210

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

	<u>2017</u> HK\$	<u>2016</u> HK\$
<i>Available-for-sale investments</i>		
Listed securities, at market value	6,075,027	7,135,273
Marketable Fund, at market value	920,551	871,282
At fair value	6,995,578	8,006,555
<i>Held-to-maturity investments</i>		
Bonds, at amortised cost	1,005,200	3,009,553
	<u>8,000,778</u>	<u>11,016,108</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

8. Account and other receivables

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
Contract deposits	4,030,343	3,994,380
Accounts receivable	7,720,809	6,951,374
Rental deposits	1,730,864	1,629,925
Utility deposits	1,319,701	1,295,181
Sundry deposits	206,365	200,865
Prepayments	7,324,839	16,704,022
Dividend receivable	259,094	238,914
Interest receivable	468,271	273,184
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	940,222	3,045,039
Intensive Employment Assistance Project New Dawn	-	10,866
Intensive Employment Assistance Project Enhanced New Dawn	-	9,489
Integrated Employment Assistance Scheme (Kwai Tsing)	437,215	665,215
Intensive Employment Assistance Project Community Care Fund	109,786	162,925
Health Care & Promotion Fund	118,545	79,824
Queen Elizabeth Foundation for the Mentally Handicapped	13,801	-
Employees Retraining Board Fund	-	39,225
Hong Kong Jockey Club Charities Trust	7,767,846	4,707,402
Community Investment and Inclusion Fund	580,430	274,467
HSBC (through donation to Community Chest)	457,898	276,182
Food Sharing Project	188,409	70,982
BMCPCC Charitable Fund	52,833	-
Environment and Conservation Fund	386,591	898,953
	<u>34,114,862</u>	<u>41,529,414</u>

9. Time deposits with banks

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
Funds from :		
Social Welfare Subvention Reserve Funds	135,162,732	129,383,614
Other Funds	105,783,171	96,988,688
Total time deposits with banks	<u>240,945,903</u>	<u>226,372,302</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

9. Time deposits with banks (continued)

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
<i>Analysis:</i>		
Time deposits of less than 3 months to maturity from date of deposit	93,603,897	97,598,513
Time deposits of more than 3 months to maturity from date of deposit	<u>147,342,006</u>	<u>128,773,789</u>
	<u><u>240,945,903</u></u>	<u><u>226,372,302</u></u>

10. Creditors and accruals

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
Accounts payable	4,570,855	2,358,831
Accruals	2,814,840	2,991,771
Other payables	5,777,478	11,058,861
Receipt in advance (included temporary credit)	2,404,319	254,296
Deferred income	5,620,320	4,173,431
Deposits of clients (for keys and lockers)	88,020	62,370
Rental deposits - Ching Kung House	35,200	35,200
Other deposits received	1,028,900	459,130
Accounts with:		
On-site Training Programme	940,760	-
Integrated Employment Assistance Scheme (Wong Tai Sin)	167,609	395,609
Integrated Employment Assistance Programme for Self-reliance	189,560	480,505
Chow Tai Fook	2,162,007	-
Enhancing Employment of People with Disabilities through Small Enterprises Project	26,439	261,216
Employees Retraining Board Fund	46,044	-
Queen Elizabeth Foundation for the Mentally Handicapped	-	65,863
UPS Foundation	59,969	106,799
Food Sharing Project	-	-
Keswick Foundation	-	254,883
Contribution	2,953,909	88,506
BMCPCC Charitable Fund	-	19,241
Mindset Peer Support Worker Project	<u>365,203</u>	<u>641,235</u>
	<u><u>29,251,432</u></u>	<u><u>23,707,747</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

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>2017</u> HK\$	<u>2016</u> HK\$
<i>Assets</i>		
Furniture and equipment ^(Remark)	-	320
Accounts receivable	588	6,140
Utility and other deposits	17,800	17,800
Prepayment	1,671	
Cash balances	219,866	215,411
<i>Liabilities</i>		
Other payables and accrued charges	(6,658)	(9,821)
Tenants' deposits	<u>(68,578)</u>	<u>(68,578)</u>
<i>Net assets</i>	<u><u>164,689</u></u>	<u><u>161,272</u></u>

Remark: Movements in furniture and equipment

	<u>HK\$</u>	<u>HK\$</u>
<i>Cost</i>		
At 31st March 2016 and 2017		5,270
<i>Accumulated depreciation</i>		
At 31st March 2016	(4,950)	
Charge for the year	<u>(320)</u>	
At 31st March 2017		<u>(5,270)</u>
<i>Net book value</i>		
At 31st March 2017		<u><u>-</u></u>
At 31st March 2016		<u><u>320</u></u>

12. Reserved Fund

	<u>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	21,327,211	21,786,226
Movements during the year		
Surplus for the year	7,509,568	18,162,645
Transfer to various funds and reserves	(10,559,255)	(18,621,660)
Deficit for the year after transfer ^{Remark 1}	<u>(3,049,687)</u>	<u>(459,015)</u>
Balance at end of year	<u><u>18,277,524</u></u>	<u><u>21,327,211</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

12. Reserved Fund (continued)

<i>Remark 1 :</i>	<u>2017</u> HK\$	<u>2016</u> HK\$
Deficit for the year after transfer represents:		
Deficit from subvented units [Note 30]	(564,192)	(297,110)
Deficit from Community Chest allocation	(471,864)	(200,570)
Deficit from self financed units/projects	(3,679,889)	(1,753,810)
Deficit from subsidiary company	(4,983,670)	(877,876)
Transfer from Small Enterprise Fund (SWD) [Note 27]	3,136,674	1,164,949
Transfer from Lump Sum Grant Reserve ^{<i>Remark 2</i>}	-	2,479,949
Interest income on time deposits/bond investments	513,543	672,784
Dividend income	677,691	837,033
Impairment loss on available-for-sale investments		
-Write back/(Impairment)	740,911	(2,688,943)
Gain/(Loss) on foreign exchange on time deposits for		
Reserve Fund	2,403	204,579
Gain on disposal of available-for-sale investments	1,614,468	-
Direct expenses	(35,762)	-
Transfer from Lump Sum Grant [Note 23]	(39,600)	-
	<u>(3,089,287)</u>	<u>(459,015)</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>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	(84,682)	35,465
Movements during the year		
Change in fair value of the available-for-sale investments	790,180	(2,809,089)
Impairment loss on available-for-sale investments recognised in surplus or deficit	(740,911)	2,688,942
	<u>49,269</u>	<u>(120,147)</u>
Balance at end of year	<u>(35,413)</u>	<u>(84,682)</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 2017

14. Fund for Ching Kung House

	<u>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	2,208,907	2,063,468
Movements during the year		
Operating income (rental income)	211,200	211,200
Direct expenses		
Rent and rates	(12,425)	(10,963)
Administration expenses	(45,236)	(39,876)
Other expenses (utilities, repairs and maintenance)	(16,738)	(14,922)
Amount transferred from Reserved Fund	<u>136,801</u>	<u>145,439</u>
Balance at end of year	<u><u>2,345,708</u></u>	<u><u>2,208,907</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>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	2,163,368	1,627,696
Movements during the year		
Operating income	247,946	544,522
Direct expenses	(600)	(8,850)
Amount transferred from Reserved Fund	<u>247,346</u>	<u>535,672</u>
Balance at end of year	<u><u>2,410,714</u></u>	<u><u>2,163,368</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 2017

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

	<u>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	1,404,559	1,416,959
Movements during the year		
Operating income	87,483	-
Direct expenses	(21,061)	(12,400)
Amount transferred from/(to) Reserved Fund	66,422	(12,400)
Balance at end of year	<u>1,470,981</u>	<u>1,404,559</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>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	10,680,783	10,288,921
Movements during the year		
New Life 330 event	(984,164)	(416,355)
Creative arts therapies	-	(50,000)
Happy ageing 330-Older Adult Project	(107,585)	-
Flag day income net of expenditure (*)	1,505,195	1,377,847
Deficit from Jockey Club New Life Institute (**)	(437,707)	(519,630)
Amount transferred from/(to) Reserved Fund	(24,261)	391,862
Balance at end of year	<u>10,656,522</u>	<u>10,680,783</u>
(*) Flag day income net of expenditure		
Donation	1,620,054	1,470,204
Expenditure	(114,859)	(92,357)
	<u>1,505,195</u>	<u>1,377,847</u>
(**) Operating income from Jockey Club New Life Institute		
(dues and fees, rental income and miscellaneous receipts)	1,781,792	1,460,868
Mental health promotion programme	55,087	38,187
Direct expenses		
Personnel emoluments	(601,492)	(508,881)
Administration and programme expenses	(1,207,257)	(996,704)
Rent and rates	(125,463)	(119,005)
Other expenses (utilities, stores and equipment, transportation and miscellaneous expenses)	(242,558)	(260,646)
Mental health promotion programme	(97,816)	(133,449)
	<u>(437,707)</u>	<u>(519,630)</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 2017

18. Production Floating Fund

	<u>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	67,827,921	62,257,059
Movements during the year		
Operating income	87,757,031	89,837,083
Direct expenses	(81,645,405)	(84,266,221)
Amount transferred from Reserved Fund	6,111,626	5,570,862
Balance at end of year	<u>73,939,547</u>	<u>67,827,921</u>

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

Kwai Shing Workshop	2,958,964	2,864,951
Shek Pai Wan Integrated Work Centre	2,117,444	1,814,286
Tin King Workshop	1,825,227	1,333,261
Chuk Yuen Integrated Work Centre	5,262,977	4,756,375
New Life Building Workshop	7,606,882	6,830,233
New Life Farm Sheltered Workshop	5,197,101	4,034,815
Supported Employment Projects	46,523,747	43,825,140
Tuen Mun Long Stay Care Home	1,207,609	1,135,791
New Life Building Long Stay Care Home	634,126	620,029
Tuen Mun Training Activity Centre (Revamped to The Wellness Centre-Tuen Mun from Oct 2010)	312,200	316,825
New Life Building Training Activity Centre (Revamped to The Wellness Centre-Sham Shui Po from Oct 2010)	293,270	296,215
	<u>73,939,547</u>	<u>67,827,921</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>2017</u> HK\$	<u>2016</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 2017

20. Dr. Wu Wai Yung Fund

	<u>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	2,950,391	2,688,180
Movements during the year		
Operating income	359,642	610,312
Direct expenses	(264,729)	(395,267)
Interest income on time deposits	41,238	34,800
Gain/(Loss) on foreign exchange	(9,148)	12,366
Amount transferred from/(to) Reserved Fund	<u>127,003</u>	<u>262,211</u>
Balance at end of year	<u><u>3,077,394</u></u>	<u><u>2,950,391</u></u>

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

21. Dr. Stella Liu Fund

	<u>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	2,879,630	2,863,720
Movements during the year		
Interest income on bond investments	2,575	10,494
Interest income on time deposits	17,428	5,416
Direct expenses	(1,016,880)	-
Amount transferred from Reserved Fund	<u>(996,877)</u>	<u>15,910</u>
Balance at end of year	<u><u>1,882,753</u></u>	<u><u>2,879,630</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 2017

22. Mrs. Esther De Sousa Fund

	<u>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	2,673,387	2,656,038
Movements during the year		
Interest income on bond investments	2,575	10,494
Interest income on time deposits	23,678	6,855
Amount transfer from Reserved Fund	26,253	17,349
Balance at end of year	<u>2,699,640</u>	<u>2,673,387</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

	Lump Sum Grant Reserve	Provident Fund Reserve		
		Provident Fund Reserve	Provident Fund Reserve - 6.8% and Other Posts	Total
	HK\$	HK\$	HK\$	HK\$
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	131,630,230	1,969,083	21,886,125	23,855,208
Adjust opening balance	25,200	14,400	-	14,400
Movements during the year				
Grant received	262,342,953	8,441,691	13,186,985	21,628,676
Personnel emolument/OC/PF net fee/ other income	(258,557,937)	(7,973,029)	(11,036,460)	(19,009,489)
Interest income on time deposits	1,202,917	-	-	-
Amount transferred from Reserved Fund	4,987,933	468,662	2,150,525	2,619,187
Transfer from 6.8% and other posts to Snapshot staff	-	213,279	(213,279)	-
	<u>4,987,933</u>	<u>681,941</u>	<u>1,937,246</u>	<u>2,619,187</u>
Balance at 31st March 2017	<u>136,643,363</u>	<u>2,665,424</u>	<u>23,823,371</u>	<u>26,488,795</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

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 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)
	<u>154,514</u>	<u>(877,865)</u>	<u>(723,351)</u>
Balance at 31st March 2016	(3,664,397)	804,828	(2,859,569)
Movements during the year			
Grant received	14,233,728	-	14,233,728
Amount repaid to Government	(1,504)	(380,049)	(381,553)
Rent and rates paid	(11,583,639)	-	(11,583,639)
Central items paid	-	(4,000)	(4,000)
Amount transferred from/(to) Reserved Fund	<u>2,648,585</u>	<u>(384,049)</u>	<u>2,264,536</u>
Balance at 31st March 2017	<u>(1,015,812)</u>	<u>420,779</u>	<u>(595,033)</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

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

	<u>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	4,172,603	2,117,736
Movements during the year		
Grant received	4,258,000	3,922,000
Interest income on time deposits	47,622	30,706
Payment for:		
Minor works projects	(3,553,556)	(1,208,990)
Furniture and equipment	(949,265)	(688,849)
Vehicle overhaul	(48,790)	-
Amount transferred from Reserved Fund	<u>(245,989)</u>	<u>2,054,867</u>
Balance at end of year	<u><u>3,926,614</u></u>	<u><u>4,172,603</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>2017</u> HK\$	<u>2016</u> HK\$
Contracted for but not provided in the financial statement	<u><u>-</u></u>	<u><u>495,098</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

26. Social Welfare Development Fund

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

	<u>2017</u> HK\$	<u>2016</u> HK\$
a) SWDF Phase 1		
Balance at beginning of year	-	553,891
Claw back of unspent balance	-	(553,891)
Balance at end of year	-	-
b) SWDF Phase 2		
Balance at beginning of year	1,819,420	1,516,819
Movements during the year		
Grant received	144,000	1,878,350
Interest on time deposits	7,022	24,353
Payment for		
1) Expenditure for projects under scope A	(332,320)	(1,203,047)
2) Expenditure for projects under scope B	(1,483,510)	(317,050)
3) Expenditure for projects under administrative support	(95,569)	(80,005)
Amount transferred from Reserved Fund ^{Remark}	(1,760,377)	302,601
Balance at end of year	59,043	1,819,420
c) SWDF Phase 3		
Balance at beginning of year and movements during the year		
Grant received	1,258,300	-
Interest on time deposits	8,283	-
Payment for		
1) Expenditure for projects under scope A	(986,619)	-
2) Expenditure for projects under scope B	(87,125)	-
3) Expenditure for projects under administrative support	(56,513)	-
Amount transferred from Reserved Fund ^{Remark}	136,326	-
Balance at end of year	136,326	-
Total at end of year	195,369	1,819,420
Remark:		
Net amount transferred from Reserved Fund	(1,624,051)	302,601

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

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\$
2017				
Café 330 - CMC	-	1,839,459	(612,207)	1,227,252
Delight Kitchen	-	881,842	(1,127,741)	(245,899)
Drinks 330	-	170,488	(407,577)	(237,089)
Café 330 - PWH	377,627	-	(119,092)	258,535
Café 330 - CU	816,285	-	(322,548)	493,737
Café 330 - HKU	410,268	-	(378,694)	31,574
Farmfresh 330 - Wun Sha Street	-	-	-	-
RWB 330	338,249	-	(168,815)	169,434
	<u>1,942,429</u>	<u>2,891,789</u>	<u>(3,136,674)</u>	<u>1,697,544</u>
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>

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 2017

28. Property management reserve held on behalf of MINDSET Place

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
<i>Income for the year ended 31st March</i>		
Building management fees	191,016	181,920
Sponsorship Income	189,072	-
Interest income	<u>16</u>	<u>15</u>
	380,104	181,935
<i>Expenditure for the year ended 31st March</i>		
Administration expenses		
Insurance	(4,073)	(4,173)
Personnel emolument	(66,281)	(52,868)
Staff Wellness expenses	(726)	(454)
Accessory Service	(1,200)	-
Licence fee	(290)	(290)
Administration expenses	(3,380)	(6,129)
Uniform expenses	(192)	(192)
Manager remuneration (paid to the Company)	(8,972)	(8,200)
Utilities	(26,533)	(28,550)
Repairs and maintenance	(264,720)	(71,035)
Depreciation on property, plant and equipment	<u>(320)</u>	<u>(320)</u>
	<u>(376,687)</u>	<u>(172,211)</u>
<i>(Deficit)/Surplus for the year ended 31st March</i>	3,417	9,724
<i>Accumulated surplus brought forward</i>	<u>161,272</u>	<u>151,548</u>
<i>Accumulated (deficit)/surplus carried forward</i>	<u><u>164,689</u></u>	<u><u>161,272</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

29. Lotteries Fund

	<u>2017</u> HK\$	<u>2016</u> HK\$
a) Procurement of Furniture and Equipment:		
Work Extension Programme	-	433,069
b) Procurement of Vehicle:		
Kwai Shing Sheltered Workshop	-	298,982
Tin King Sheltered Workshop	-	298,982
	-	597,964
c) Fitting-out Works:		
Tin Yuet Halfway House	325,199	824,790
New Life Building Halfway House I	222,730	-
New Life Building Halfway House II	209,745	-
New Life Building Halfway House III	185,715	-
The Wellness Centre - Tuen Mun	-	977,288
The Wellness Centre - Islands	240,037	432,849
The Wellness Centre - Sham Shui Po	-	180,429
The Wellness Centre - Tuen Mun (On Ting)	-	1,093,712
	1,183,426	3,509,068
d) Renovation Works		
Tuen Mun Long Stay Care Home	-	1,598,284
e) Pilot project on PSW in Community Service		
Agency-based community services	675,412	-
f) Undertake Fire Safety/Building Safety Rectification Measures:		
Tin Yuet Halfway House	22,500	-
New Life Building Halfway House I	6,600	13,200
New Life Building Halfway House II	5,400	10,800
New Life Building Halfway House III	4,800	9,600
	39,300	33,600
	<u>1,898,138</u>	<u>6,171,985</u>

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

At 31st March 2017, the outstanding commitments in respect of the Lotteries Fund Block Grant and the Lotteries Fund Project Grant are as follows:

	<u>2017</u> HK\$	<u>2016</u> HK\$
Contracted for but not provided in the financial statement in respect of:		
Lotteries Fund Block Grant	-	495,098
Lotteries Fund Project Grant	61,834	910,670
	<u>61,834</u>	<u>1,405,768</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

30. 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>2017</u> HK\$	<u>2016</u> HK\$
Central Administration		
Central Administration Expenses	(41,047)	106,368
Management Office at New Life Building	157,199	(100,314)
	116,152	6,054
Workshops and Hostels		
Sun Chui Halfway House	(11,270)	(4,220)
Pok Hong Halfway House	(8,884)	(4,041)
Tin Yuet Halfway House	(12,130)	(7,917)
Shan King Halfway House	(8,998)	(4,249)
Shek Lei Halfway House	(7,809)	(3,536)
Chuk Yuen Halfway House	(9,507)	(4,220)
Lei Tung Halfway House	(8,941)	(4,428)
New Life Building Halfway House (I)	(24,681)	(5,200)
New Life Building Halfway House (II)	(12,068)	(4,279)
New Life Building Halfway House (III)	(13,298)	(2,924)
Jockey Club Farm House	(6,500)	(10,707)
New Life Jubilee Hostel	(10,678)	(5,232)
Tin King Hostel	(12,563)	(6,232)
Joyous Place	(11,318)	1,447
Tuen Mun Long Stay Care Home	(109,374)	(73,405)
New Life Building Long Stay Care Home	(64,674)	(32,183)
The Wellness Centre - Sham Shui Po	(50,401)	(9,399)
The Wellness Centre - Tuen Mun	(21,929)	(10,658)
The Wellness Centre - Shatin	(18,248)	(3,883)
The Wellness Centre - Tin Shui Wai	(24,100)	(13,324)
The Wellness Centre - Kwai Chung	(17,946)	(6,931)
The Wellness Centre - Yau Tsim Mong	(22,895)	2,435
The Wellness Centre - Islands	(57,661)	(4,768)
Balance of Workshops and Hostels carried down	(545,873)	(217,854)

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

30. Transfer of surpluses social welfare subvention (continued)

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

	<u>2017</u> HK\$	<u>2016</u> HK\$
Workshops and Hostels		
Balance of Workshops and Hostels brought down	(545,873)	(217,854)
Kwai Shing Sheltered Workshop	1,094	14,852
Shek Pai Wan Integrated Work Centre	2,139	(2,413)
Tin King Sheltered Workshop	(77,611)	7,383
Chuk Yuen Integrated Work Centre	2,713	11,590
New Life Building Sheltered Workshop	(7,109)	(16,931)
New Life Farm Sheltered Workshop	16,839	(76,488)
Agency-Based Vocational Support	(4,095)	(1,486)
Work Extension Programme	(3,678)	(1,337)
Supported Employment Service	(63,348)	(20,480)
On the Job Training Programme	(1,415)	-
	<u>(680,344)</u>	<u>(303,164)</u>
	<u>(564,192)</u>	<u>(297,110)</u>

31. Categories of financial assets and financial liabilities

	<u>2017</u> HK\$	<u>2016</u> HK\$
<i>Financial assets:</i>		
Non-current assets -		
Available-for-sale investments, at fair value	6,995,578	8,006,555
Held-to-maturity investments, at amortised cost	1,005,200	3,009,553
Current assets - at amortized cost:		
Receivables [excluding prepayments]	26,790,023	24,825,392
Bank deposits and cash	<u>256,665,960</u>	<u>238,768,229</u>
	<u>291,456,761</u>	<u>274,609,729</u>
<i>Financial liabilities:</i>		
Current liabilities - at amortized cost:		
Payables [excluding receipt in advance]	<u>26,847,113</u>	<u>23,453,451</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

32. 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>2017</u> HK\$	<u>2016</u> HK\$
Not later than one year	7,334,181	6,442,133
Later than one year but not later than five years	<u>4,291,134</u>	<u>1,163,400</u>
	<u>11,625,315</u>	<u>7,605,533</u>

33. 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 [2016 - Same].

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

34. Statement of Financial Position of the Association at 31st March 2017

	<u>Note</u>	<u>2017</u> HK\$	<u>2016</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	34(a)	7,430,933	5,376,141
Investment in subsidiary company	34(b)	6,119,686	4,007,373
Investment in securities	7	<u>8,000,778</u>	<u>11,016,108</u>
		21,551,397	20,399,622
CURRENT ASSETS			
Inventories - goods for sale		681,454	689,925
Accounts and other receivables	34(c)	29,891,990	31,158,357
Time deposits with banks	9	240,945,903	226,372,302
Bank and cash balances		13,630,863	11,898,430
		285,150,210	270,119,014
CURRENT LIABILITIES			
Creditors and accruals	34(d)	(24,957,051)	(21,316,587)
NET CURRENT ASSETS		<u>260,193,159</u>	<u>248,802,427</u>
NET ASSETS		<u><u>281,744,556</u></u>	<u><u>269,202,049</u></u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

34. Statement of Financial Position of the Association at 31st March 2017 (continued)

	<u>Note</u>	<u>2017</u> HK\$	<u>2016</u> HK\$
<i>representing:</i>			
DESIGNATED FUNDS			
Reserved Fund	34(e)	15,761,695	17,003,986
Investment Revaluation Reserve	13	(35,413)	(84,682)
Fund for Ching Kung House	14	2,345,708	2,208,907
Staff Welfare and Development Fund	15	2,410,714	2,163,368
Service Users' and Families' Welfare and Charitable Fund	16	1,470,981	1,404,559
Flag Day Fund	17	10,656,522	10,680,783
Production Floating Fund	18	73,939,547	67,827,921
Fundraising Campaign Fund	19	875,907	875,907
Dr. Wu Wai Yung Fund	20	3,077,394	2,950,391
Dr. Stella Liu Fund	21	1,882,753	2,879,630
Mrs. Esther De Sousa Fund	22	2,699,640	2,673,387
		115,085,448	110,584,157
SUBVENTION ACCOUNT			
Lump Sum Grant Reserve Fund			
Lump Sum Grant Reserve	23	136,643,363	131,630,230
Provident Fund Reserve	23	26,488,795	23,855,208
Social Welfare Subvention Surpluses			
Rent and Rates	24	(1,015,812)	(3,664,397)
Central Items Surpluses	24	420,779	804,828
Furniture & Equipment Replenishment and Minor Works Block Grant Reserve Fund	25	3,926,614	4,172,603
Social Welfare Development Fund	26	195,369	1,819,420
		166,659,108	158,617,892
		281,744,556	269,202,049

Approved and authorised for issue by the Executive Committee on **25 AUG 2017**



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 2017

34. Statement of Financial Position of the Association at 31st March 2017 (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 2016	2	9,248,056	249,120	3,708,906	13,206,084
Additions	-	3,779,896	503,778	1,732,079	6,015,753
Disposal	-	(56,805)	-	-	(56,805)
At 31st March 2017	2	12,971,147	752,898	5,440,985	19,165,032
<i>Accumulated depreciation</i>					
At 31st March 2016	-	6,018,500	62,194	1,749,249	7,829,943
Charge for the year	-	2,582,171	112,935	1,250,195	3,945,301
Written back on disposal	-	(41,145)	-	-	(41,145)
At 31st March 2017	-	8,559,526	175,129	2,999,444	11,734,099
<i>Net book value</i>					
At 31st March 2017	2	4,411,621	577,769	2,441,541	7,430,933
At 31st March 2016	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 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

(b) Investment in subsidiary company

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unlisted shares, at cost	20	20
Amount due from subsidiary company	6,119,666	4,007,353
	<u>6,119,686</u>	<u>4,007,373</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 2017

34. Statement of Financial Position of the Association at 31st March 2017 (continued)

(c) Account and other receivables

	<u>2017</u> HK\$	<u>2016</u> HK\$
Contract deposits	4,030,343	3,994,380
Accounts receivable	6,026,201	5,999,331
Rental deposits	1,414,915	1,215,526
Utility deposits	1,124,351	1,105,831
Sundry deposits	105,165	99,665
Prepayments	5,409,074	7,989,957
Dividend receivable	259,094	238,914
Interest receivable	468,271	273,184
Money due from clients	1,000	1,000
Accounts with:		
Lotteries Fund	940,222	3,045,039
Intensive Employment Assistance Project New Dawn	-	10,866
Intensive Employment Assistance Project Enhanced New Dawn	-	9,489
Integrated Employment Assistance Scheme (Kwai Tsing)	437,215	665,215
Intensive Employment Assistance Project Community Care Fund	109,786	162,925
Health Care & Promotion Fund	118,545	79,824
Queen Elizabeth Foundation for the Mentally Handicapped	13,801	-
Employees Retraining Board Fund	-	39,225
Hong Kong Jockey Club Charities Trust	7,767,846	4,707,402
Community Investment and Inclusion Fund	580,430	274,467
HSBC (Community Chest 45th Anniversary Fund)	457,898	276,182
Food Sharing Project	188,409	70,982
BMCPC Charitable Fund	52,833	-
Environment and Conservation Fund	386,591	898,953
	<u>29,891,990</u>	<u>31,158,357</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

34. Statement of Financial Position of the Association at 31st March 2017 (continued)

(d) Creditors and accruals

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
Accounts payable	1,847,388	1,969,002
Accruals	2,814,840	2,991,771
Other payables	5,777,478	9,196,320
Receipt in advance (included temporary credit)	833,405	115,506
Deferred income	5,620,320	4,173,431
Deposits of clients (for keys and lockers)	88,020	62,370
Rental deposits	35,200	35,200
Other deposits received	1,028,900	459,130
Accounts with:		
On-site Training Programme	940,760	-
Integrated Employment Assistance Scheme (Wong Tai Sin)	167,609	395,609
Integrated Employment Assistance Programme for Self-reliance	189,560	480,505
Chow Tai Fook	2,162,007	-
Enhancing Employment of People with Disabilities through Small Enterprises Project	26,439	261,216
Employees Retraining Board Fund	46,044	-
Queen Elizabeth Foundation for the Mentally Handicapped	-	65,863
UPS Foundation	59,969	106,799
Food Sharing Project	-	-
Keswick Foundation	-	254,883
Contribution	2,953,909	88,506
BMCPC Charitable Fund	-	19,241
Mindset Peer Support Worker Project	365,203	641,235
	<u>24,957,051</u>	<u>21,316,587</u>

NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION

Notes to the Financial Statements for the year ended 31st March 2017

34. Statement of Financial Position of the Association at 31st March 2017 (continued)

(e) Reserved Fund

	<u>2017</u> HK\$	<u>2016</u> HK\$
Balance at beginning of year	17,003,986	17,750,074
Movements during the year		
Surplus for the year	<u>12,493,238</u>	<u>19,040,521</u>
Transfer to various funds and reserves*	<u>(13,735,529)</u>	<u>(19,786,609)</u>
Deficit for the year after transfer ^{Remark}	<u>(1,242,291)</u>	<u>(746,088)</u>
Balance at end of year	<u><u>15,761,695</u></u>	<u><u>17,003,986</u></u>
<i>Remark:</i>		
Deficit for the year after transfer represents:		
Deficit from subvented units [Note 30]	(564,192)	(297,110)
Deficit from Community Chest allocation	(471,864)	(200,570)
Deficit from self financed units/projects	(3,679,889)	(1,753,810)
Interest income on time deposits/bond investments	513,543	672,784
Dividend income	677,691	837,033
Impairment loss on available-for-sale investments - Write-back/(Impairment)	740,911	(2,688,943)
Gain on foreign exchange on time deposits for Reserve Fund	2,403	204,579
Gain on disposal of available-for-sale investments	1,614,468	-
Direct expenses	(35,762)	-
Transfer from Lump Sum Grant [Note 23]	(39,600)	-
Premium on staff medical scheme absorbed by Lump Sum Grant [Note 23]	<u>-</u>	<u>2,479,949</u>
	<u><u>(1,242,291)</u></u>	<u><u>(746,088)</u></u>
* Transfer amount per consolidated financial statements	10,559,255	18,621,660
Exclusion of transfer amount from Small Enterprise Fund (SWD) for operation of subsidiary company	<u>3,136,674</u>	<u>1,164,949</u>
	<u><u>13,695,929</u></u>	<u><u>19,786,609</u></u>