

**ALICE HO MIU LING NETHERSOLE  
CHARITY FOUNDATION**

雅麗氏何妙齡那打素慈善基金會

**AUDITOR'S REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2021**

**F. S. Li & Co.**

李福樹會計師事務所

**CERTIFIED PUBLIC ACCOUNTANTS  
HONG KONG**

# F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

### **ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**

(incorporated in Hong Kong under the Alice Ho Miu Ling Nethersole Charity Foundation Ordinance)

#### **Opinion**

We have audited the consolidated financial statements of Alice Ho Miu Ling Nethersole Charity Foundation (the "Foundation") and its subsidiary (together, the "Group") set out on pages 3 to 27, which comprise the consolidated and Foundation statements of financial position as at 31st March 2021, and the consolidated and Foundation statements of comprehensive income, the consolidated and Foundation statements of changes in reserves and the consolidated and Foundation cash flow statements for the year then ended, and notes to the consolidated 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 and of the Foundation as at 31st March 2021, and of the financial performance and the cash flows of the Group and of the Foundation 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").

#### **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 Consolidated 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 Governors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

#### **Responsibilities of Governors and Those Charged with Governance for the Consolidated Financial Statement**

The Governors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the HKFRSPE issued by the HKICPA, and for such internal control as the Governors 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 Governors 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 Governors 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 our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Governors.
- Conclude on the appropriateness of the Governors' 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 consolidated 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, 13th September 2021.



**ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31ST MARCH 2021**

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
INCOME			
Government grants and subventions		82,637,865	78,676,131
<u>Less: Amounts clawed back by Social Welfare Department</u> ("SWD")		<u>(882,244)</u>	<u>-</u>
		81,755,621	78,676,131
Donations		2,885,667	1,816,318
Service fee income		5,610,172	5,789,592
Interest income		930,816	2,468,558
Income on licensing and car parking fees		7,041,821	6,643,252
Program income		3,133,505	4,418,146
Purchasing service income		3,098,218	2,962,923
Sales on rehab shop		19,112,048	20,573,504
Administration service income		2,644,922	2,974,628
Other income		442,658	575,971
Net investment income	4	289,743,824	-
Gain on foreign exchange		<u>374,711</u>	<u>59,412</u>
TOTAL INCOME		<u>416,773,983</u>	<u>126,958,435</u>
EXPENDITURE			
Cost of sales on rehab shop		(16,293,898)	(17,416,957)
Operating expenses on rehab shop		(997,948)	(904,348)
Operating expenses on services	5	(118,144,743)	(114,801,899)
Donations		(41,271,514)	(12,863,863)
Net investment expenses	4	-	(98,680,941)
Administration, property management and other expenses		<u>(23,979,450)</u>	<u>(20,338,996)</u>
TOTAL EXPENDITURE		<u>(200,687,553)</u>	<u>(265,007,004)</u>
SURPLUS/(DEFICIT) FOR THE YEAR	6	<u>216,086,430</u>	<u>(138,048,569)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		<u>216,086,430</u>	<u>(138,048,569)</u>



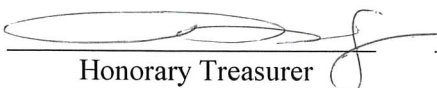
**ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**


**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2021**

	<u>Note</u>	HK\$	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	8		166,674	132,255
Investments	10		<u>1,002,150,230</u>	<u>718,919,376</u>
			1,002,316,904	<u>719,051,631</u>
<b>CURRENT ASSETS</b>				
Inventories		735,037		889,603
Account receivables and deposits	11	6,629,082		6,037,419
Bank and cash balances		<u>107,752,357</u>		<u>182,649,979</u>
		115,116,476		189,577,001
<b>Less: CURRENT LIABILITIES</b>				
Account payables and accruals		<u>22,411,931</u>		<u>29,693,613</u>
<b>NET CURRENT ASSETS</b>			<u>92,704,545</u>	<u>159,883,388</u>
<b>NET ASSETS</b>			<u><u>1,095,021,449</u></u>	<u><u>878,935,019</u></u>
<i>Represented by:</i>				
<b>RESERVES</b>				
Government's reserves				
Block Grant reserve	12		76,637	359,394
Central Items surpluses	13		132,988	726,667
Lump Sum Grant reserve	14		42,800,547	45,098,744
Provident Fund reserve	15		13,612,046	12,666,507
Rent and rate subvention surpluses			46,640	15,120
One-off special grants for COVID-19			185,000	-
Social Welfare Development Fund surpluses	16		622,531	705,418
Foundation's reserves				
Alice Ho Miu Ling Nethersole				
Nursing Home	17		2,064,252	2,534,102
COVID-19 Emergency Fund surpluses	18		68,864	74,554
Designated Funds	19		37,982,970	36,046,265
Nethersole Hospital Fund	20		668,740,502	437,999,847
Special Reserve Fund	21		<u>328,688,472</u>	<u>342,708,401</u>
			<u><u>1,095,021,449</u></u>	<u><u>878,935,019</u></u>

The consolidated financial statements on pages 3 to 27 were approved and authorized for issue by the Board of Governors on 13th September 2021.

  
Chairman

  
Honorary Treasurer

  
Secretary

**ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**

**FOR THE YEAR ENDED 31ST MARCH 2021**

	Government's reserves							Foundation's reserves					
	Block Grant reserve HK\$	Central Items surpluses HK\$	Lump Sum Grant reserve HK\$	Provident Fund reserve HK\$	Rent and rate subvention surpluses HK\$	One-off special grants for COVID-19 HK\$	Social Welfare Development Fund surpluses HK\$	Alice Ho Miu Ling Nethersole Nursing Home HK\$	COVID-19 Emergency Fund surpluses HK\$	Designated Funds HK\$	Nethersole Hospital Fund HK\$	Special Reserve Fund HK\$	Total HK\$
Balance at 1st April 2019	787,480	-	45,576,825	11,507,872	-	-	842,728	2,649,454	-	32,798,604	577,514,223	345,306,402	1,016,983,588
Surplus/(Deficit) for the year	(428,086)	726,667	(478,081)	1,158,635	15,120	-	(137,310)	(115,352)	74,554	(20,072,328)	(116,194,387)	(2,598,001)	(138,048,569)
Total comprehensive income/(expense)	(428,086)	726,667	(478,081)	1,158,635	15,120	-	(137,310)	(115,352)	74,554	(20,072,328)	(116,194,387)	(2,598,001)	(138,048,569)
Transfer	-	-	-	-	-	-	-	-	-	23,319,989	(23,319,989)	-	-
Balance at 31st March 2020	359,394	726,667	45,098,744	12,666,507	15,120	-	705,418	2,534,102	74,554	36,046,265	437,999,847	342,708,401	878,935,019
Surplus/(Deficit) for the year	(282,757)	(593,679)	(2,298,197)	945,539	31,520	185,000	(82,887)	(465,927)	(9,613)	(20,183,068)	252,860,428	(14,019,929)	216,086,430
Total comprehensive income/(expense)	(282,757)	(593,679)	(2,298,197)	945,539	31,520	185,000	(82,887)	(465,927)	(9,613)	(20,183,068)	252,860,428	(14,019,929)	216,086,430
Transfer	-	-	-	-	-	-	-	(3,923)	3,923	22,119,773	(22,119,773)	-	-
Balance at 31st March 2021	<u>76,637</u>	<u>132,988</u>	<u>42,800,547</u>	<u>13,612,046</u>	<u>46,640</u>	<u>185,000</u>	<u>622,531</u>	<u>2,064,252</u>	<u>68,864</u>	<u>37,982,970</u>	<u>668,740,502</u>	<u>328,688,472</u>	<u>1,095,021,449</u>

**ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31ST MARCH 2021**

	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus/(Deficit) for the year	216,086,430	(138,048,569)
Adjustments for:		
Interest income	(930,816)	(2,468,558)
Dividend income	(12,128,213)	(14,942,787)
(Gain)/Loss on change in fair value of financial assets at fair value through profit or loss	(259,458,710)	104,084,554
(Gain)/Loss on disposal of financial assets through profit or loss	(18,156,901)	9,539,174
Depreciation	52,041	45,159
Operating loss before working capital changes	(74,536,169)	(41,791,027)
Decrease/(Increase) in inventories	154,566	(58,536)
Increase in accounts receivables and deposits	(571,069)	(3,766,197)
(Decrease)/Increase in accounts payables and accruals	(7,281,682)	2,749,392
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(82,234,354)</u>	<u>(42,866,368)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,175,656	2,356,250
Dividends received	11,862,779	15,361,329
Sale of financial assets at fair value through profit or loss	263,200,954	553,407,354
Purchase of financial assets at fair value through profit or loss	(268,816,197)	(527,626,910)
Purchase of property, plant and equipment	(86,460)	(32,988)
Net (increase)/decrease in time deposits of more than 3 months to maturity from date of deposit	(7,153,948)	19,739,920
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>182,784</u>	<u>63,204,955</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(82,051,570)	20,338,587
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<u>182,023,043</u>	<u>161,684,456</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>99,971,473</u>	<u>182,023,043</u>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	107,752,357	182,649,979
<u>Less:</u> Time deposits of more than 3 months to maturity from date of deposit	(7,780,884)	(626,936)
	<u>99,971,473</u>	<u>182,023,043</u>

**Non-cash transactions:**

During the year, the Group received scrip dividends in lieu of cash dividends of HK\$414,012 (2020 - HK\$2,071,776)



**ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31ST MARCH 2021**

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>INCOME</b>			
Government grants and subventions		81,298,682	78,300,449
<u>Less: Amounts clawed back by SWD</u>		<u>(882,244)</u>	<u>-</u>
		80,416,438	78,300,449
Donations		2,885,617	1,816,097
Service fee income		5,546,732	5,713,432
Interest income		930,815	2,468,453
Income on licensing and car parking fees		7,041,821	6,643,252
Program income		2,567,437	3,570,862
Purchasing service income		3,098,218	2,962,923
Sales on rehab shop		19,112,048	20,573,504
Administration service income		2,644,922	2,974,628
Other income		442,658	575,971
Net investment income	4	289,743,824	-
Gain on foreign exchange		<u>374,711</u>	<u>59,412</u>
<b>TOTAL INCOME</b>		<u>414,805,241</u>	<u>125,658,983</u>
<b>EXPENDITURE</b>			
Cost of sales on rehab shop		(16,293,898)	(17,416,957)
Operating expenses on rehab shop		(997,948)	(904,348)
Operating expenses on services	5	(110,839,523)	(107,890,257)
Donations		(48,108,332)	(19,095,720)
Net investment expenses	4	-	(98,680,941)
Administration, property management and other expenses		<u>(22,479,110)</u>	<u>(19,719,329)</u>
<b>TOTAL EXPENDITURE</b>		<u>(198,718,811)</u>	<u>(263,707,552)</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	6	<u>216,086,430</u>	<u>(138,048,569)</u>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		<u>216,086,430</u>	<u>(138,048,569)</u>

# ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION

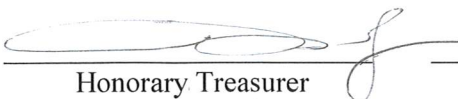
## STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2021

	<u>Note</u>	HK\$	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	8		159,924	122,805
Subsidiary company	9		-	-
Investments	10		<u>1,002,150,230</u>	<u>718,919,376</u>
			1,002,310,154	<u>719,042,181</u>
<b>CURRENT ASSETS</b>				
Inventories		735,037		889,603
Account receivables and deposits	11	6,753,228		6,226,092
Bank and cash balances		<u>107,290,673</u>		<u>182,277,625</u>
		114,778,938		189,393,320
<b>Less: CURRENT LIABILITIES</b>				
Account payables and accruals		<u>22,067,643</u>		<u>29,500,482</u>
<b>NET CURRENT ASSETS</b>			<u>92,711,295</u>	<u>159,892,838</u>
<b>NET ASSETS</b>			<u><u>1,095,021,449</u></u>	<u><u>878,935,019</u></u>
<i>Represented by:</i>				
<b>RESERVES</b>				
Government's reserves				
Block Grant reserve	12		76,637	359,394
Central Items surpluses	13		132,988	726,667
Lump Sum Grant reserve	14		42,800,547	45,098,744
Provident Fund reserve	15		13,612,046	12,666,507
Rent and rate subvention surpluses			46,640	15,120
One-off special grants for COVID-19			185,000	-
Social Welfare Development Fund surpluses	16		622,531	705,418
Foundation's reserves				
Alice Ho Miu Ling Nethersole				
Nursing Home	17		2,064,252	2,534,102
COVID-19 Emergency Fund surpluses	18		68,864	74,554
Designated Funds	19		37,982,970	36,046,265
Nethersole Hospital Fund	20		668,740,502	437,999,847
Special Reserve Fund	21		<u>328,688,472</u>	<u>342,708,401</u>
			<u><u>1,095,021,449</u></u>	<u><u>878,935,019</u></u>

The consolidated financial statements on pages 3 to 27 were approved and authorized for issue by the Board of Governors on 13th September 2021.



Chairman



Honorary Treasurer



Secretary

**ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**

**STATEMENT OF CHANGES IN RESERVES**

**FOR THE YEAR ENDED 31ST MARCH 2021**

	Government's reserves							Foundation's reserves					
	Block Grant reserve HK\$	Central Items surpluses HK\$	Lump Sum Grant reserve HK\$	Provident Fund reserve HK\$	Rent and rate subvention surpluses HK\$	One-off special grants for COVID-19 HK\$	Social Welfare Development Fund surpluses HK\$	Alice Ho Miu Ling Nethersole Nursing Home HK\$	COVID-19 Emergency Fund surpluses HK\$	Designated Funds HK\$	Nethersole Hospital Fund HK\$	Special Reserve Fund HK\$	Total HK\$
Balance at 1st April 2019	787,480	-	45,576,825	11,507,872	-	-	842,728	2,649,454	-	32,798,604	577,514,223	345,306,402	1,016,983,588
Surplus/(Deficit) for the year	(428,086)	726,667	(478,081)	1,158,635	15,120	-	(137,310)	(115,352)	74,554	(20,072,328)	(116,194,387)	(2,598,001)	(138,048,569)
Total comprehensive income/(expense)	(428,086)	726,667	(478,081)	1,158,635	15,120	-	(137,310)	(115,352)	74,554	(20,072,328)	(116,194,387)	(2,598,001)	(138,048,569)
Transfer	-	-	-	-	-	-	-	-	-	23,319,989	(23,319,989)	-	-
Balance at 31st March 2020	359,394	726,667	45,098,744	12,666,507	15,120	-	705,418	2,534,102	74,554	36,046,265	437,999,847	342,708,401	878,935,019
Surplus/(Deficit) for the year	(282,757)	(593,679)	(2,298,197)	945,539	31,520	185,000	(82,887)	(465,927)	(9,613)	(20,183,068)	252,860,428	(14,019,929)	216,086,430
Total comprehensive income/(expense)	(282,757)	(593,679)	(2,298,197)	945,539	31,520	185,000	(82,887)	(465,927)	(9,613)	(20,183,068)	252,860,428	(14,019,929)	216,086,430
Transfer	-	-	-	-	-	-	-	(3,923)	3,923	22,119,773	(22,119,773)	-	-
Balance at 31st March 2021	<u>76,637</u>	<u>132,988</u>	<u>42,800,547</u>	<u>13,612,046</u>	<u>46,640</u>	<u>185,000</u>	<u>622,531</u>	<u>2,064,252</u>	<u>68,864</u>	<u>37,982,970</u>	<u>668,740,502</u>	<u>328,688,472</u>	<u>1,095,021,449</u>



**ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31ST MARCH 2021**

	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus/(Deficit) for the year	216,086,430	(138,048,569)
Adjustments for:		
Interest income	(930,815)	(2,468,453)
Dividend income	(12,128,213)	(14,942,787)
(Gain)/Loss on change in fair value of financial assets at fair value through profit or loss	(259,458,710)	104,084,554
(Gain)/Loss on disposal of financial assets through profit or loss	(18,156,901)	9,539,174
Depreciation	49,341	42,459
Operating loss before working capital changes	(74,538,868)	(41,793,622)
Decrease/(Increase) in inventories	154,566	(58,536)
Increase in accounts receivables and deposits	(506,542)	(3,720,622)
(Decrease)/Increase in accounts payables and accruals	(7,432,839)	2,810,166
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(82,323,683)</u>	<u>(42,762,614)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,175,655	2,356,145
Dividends received	11,862,779	15,361,329
Sale of financial assets at fair value through profit or loss	263,200,954	553,407,354
Purchase of financial assets at fair value through profit or loss	(268,816,197)	(527,626,910)
Purchase of property, plant and equipment	(86,460)	(32,988)
Net (increase)/decrease in time deposits of more than 3 months to maturity from date of deposit	(7,153,948)	19,739,920
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>182,783</u>	<u>63,204,850</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(82,140,900)	20,442,236
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<u>181,650,689</u>	<u>161,208,453</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>99,509,789</u>	<u>181,650,689</u>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	107,290,673	182,277,625
<u>Less:</u> Time deposits of more than 3 months to maturity from date of deposit	(7,780,884)	(626,936)
	<u>99,509,789</u>	<u>181,650,689</u>

**Non-cash transactions:**

During the year, the Group received scrip dividends in lieu of cash dividends of HK\$414,012 (2020 - HK\$2,071,776)

# ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH 2021

#### 1. General

Alice Ho Miu Ling Nethersole Charity Foundation (the "Foundation"), is a Christian institution incorporated under the Alice Ho Miu Ling Nethersole Charity Foundation Ordinance (Cap. 1181 of the Laws of Hong Kong).

The registered office of the Foundation is at 11 Chuen On Road, Tai Po, New Territories, Hong Kong.

The activities of the Foundation and its subsidiary company during the year were to operate and support services and projects which help implement the Foundation's objectives of including but not limited to the care, treatment and comfort (whether physically, psychologically or spiritually) of those who are weak, sick or aged or are in need of assistance, and the promotion and demonstration of the Christian belief in the wholeness of man, his body and spirit in the service of people in need.

#### 2. Principal accounting policies

##### (a) Basis of preparation

These consolidated financial statements were prepared by the Foundation in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements have been prepared under the historical cost convention except that the financial assets at fair value through profit or loss are stated at fair value.

##### (b) Consolidation

The consolidated financial statements include the accounts of the Foundation and its subsidiary (together, the "Group") made up to 31st March after eliminating inter-group transactions and balances.

##### (c) Revenue recognition

- (i) Dividend income is recognized when the right to receive the income is established.
- (ii) Donations are recognized when the funds have been received.
- (iii) Interest income is recognized as it accrues using the effective interest method.
- (iv) Licensing and car parking fees from properties held under operating leases is accounted for, using a straight line basis, over the respective periods of the leases.
- (v) Government grants and subventions are recognized as income when no specified future performance conditions are imposed; if there are conditions, they are recognized as income when conditions are fulfilled.
- (vi) Program and service income is recognized upon provision of service.
- (vii) Sales on rehab shop are recognized upon delivery of goods.

2. Principal accounting policies (continued)

(d) Foreign currencies

The Group's and the Foundation's functional currency and presentation currency are 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 the end of the reporting period are translated at rates of exchange approximating to those ruling at the end of the reporting period. All exchange differences are dealt with in surplus or deficit.

(e) Impairment losses

At the end of each reporting period, property, plant and equipment 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 is recognized immediately in surplus or deficit.

Similarly, at the end of each reporting period inventories 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 recognized immediately in surplus or deficit.

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

(f) Property, plant and equipment

Property, plant and equipment (other than those funded by subventions) 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 loss over their estimated useful lives using a straight line basis at the following rates:-

Furniture and fixtures	20 per cent per annum
Computer software and hardware	33-1/3 per cent per annum

(g) Disposal of property, plant and equipment

The gain or loss arising from disposal of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant assets, and is recognized in surplus or deficit.



2. Principal accounting policies (continued)

(h) Assets held under operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases are charged to surplus or deficit on a straight line basis over the lease periods.

(i) Subsidiary company

A company is a subsidiary company if it is controlled by the Foundation.

(j) Financial instruments

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

(k) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represent investments in listed equity securities, debt securities and fund investments. Investments in investment portfolios are designated as financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are initially recognized at fair value. At the end of each reporting period subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognized directly in surplus or deficit in the period in which they arise. The net gain or loss recognized in surplus or deficit includes any dividend or interest earned from the financial assets.

(l) Inventories

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

(m) Account receivables and deposits

Account receivables and deposits are initially recognized at fair value and thereafter stated at amortized cost using the effective interest rate method less allowance for expected credit loss unless the effect of discounting would be immaterial, in which case the receivables are stated at cost less allowance for expected credit losses.

(n) Cash and cash equivalents

For the purposes of the consolidated and Foundation cash flow statements, cash and cash equivalents comprise cash on hand, and deposits with banks within 3 months to maturity from date of deposit.

2. Principal accounting policies (continued)

(o) Account payables and accruals

Accounts payable and accruals are initially recognized at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(q) Provisions

Provisions are recognized for liabilities of uncertain timing or amount when the Group/ the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(r) Related parties

For the purpose of these consolidated financial statements, related party includes a person or an entity as defined below:

- (i) A person or a close member of that person's family is related to the Group/the Foundation if that person:
  - (a) is a member of the key management personnel of the Group/the Foundation or of a parent of the Group/the Foundation;
  - (b) has control or joint control over the Group/the Foundation; or
  - (c) has significant influence over the Group/the Foundation.
- (ii) An entity is related to the Group/the Foundation if any of the following conditions applies:
  - (a) the entity and the Group/the Foundation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of the group of which the other entity is a member).
  - (c) both entities are joint ventures of the same third entity.
  - (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (e) the entity is a post-employment benefit plan for the benefit of employees of either the Group/the Foundation or an entity related to the Group/the Foundation. If the Group/the Foundation is itself such a plan, the sponsoring employers are also related to the Group/the Foundation.
  - (f) the entity is controlled or jointly controlled by a person identified in Note 2(r)(i).
  - (g) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group/the Foundation or to the parent of the Group/the Foundation.
  - (h) a person identified in Note 2(r)(i)(a) has significant voting power in the entity.
  - (i) a person identified in Note 2(r)(i)(b) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. Accounting estimates and judgments

The key sources of estimation, uncertainty and critical accounting judgements in applying the Group's and the Foundation's accounting policies are described below.

*Valuation of financial assets at fair value through profit or loss*

The fair value of financial assets at fair value through profit or loss is based on market prices quoted, for equivalent instruments at the end of the reporting period, by the financial institutions which provide investment agency services to the Group/the Foundation.

4. Net investment income/(expenses)

	<u>2021</u> HK\$	<u>2020</u> HK\$
Dividend income	12,128,213	14,942,787
Gain/(Loss) on change in fair value of financial assets at fair value through profit or loss	259,458,710	(104,084,554)
Gain/(Loss) on disposal of financial assets at fair value through profit or loss	<u>18,156,901</u>	<u>(9,539,174)</u>
	<u>289,743,824</u>	<u>(98,680,941)</u>

5. Operating expenses on services

	<u>The Group</u>		<u>The Foundation</u>	
	<u>2021</u> HK\$	<u>2020</u> HK\$	<u>2021</u> HK\$	<u>2020</u> HK\$
Chaplaincy services	12,047,450	11,856,609	12,047,450	11,856,609
Elderly services	89,761,000	86,792,383	89,761,000	86,792,383
Rehabilitation services	7,305,220	6,911,642	-	-
Education services	5,862,347	6,336,443	5,862,347	6,336,443
Volunteer and community development	737,748	842,727	737,748	842,727
Community and patient resources	305,282	158,122	305,282	158,122
Cancer patients support services	<u>2,125,696</u>	<u>1,903,973</u>	<u>2,125,696</u>	<u>1,903,973</u>
	<u>118,144,743</u>	<u>114,801,899</u>	<u>110,839,523</u>	<u>107,890,257</u>

6. Surplus/(Deficit) for the year

Surplus/(Deficit) for the year is stated after charging the following items:

	<u>The Group</u>		<u>The Foundation</u>	
	<u>2021</u> HK\$	<u>2020</u> HK\$	<u>2021</u> HK\$	<u>2020</u> HK\$
Staff cost				
Salaries, wages, allowances and benefits (excluding contributions to provident fund)	101,275,276	96,937,234	93,340,967	90,178,630
Contributions to defined contribution provident fund	<u>5,818,714</u>	<u>5,739,185</u>	<u>5,443,599</u>	<u>5,370,951</u>
	107,093,990	102,676,419	98,784,566	95,549,581
Depreciation	52,041	45,159	49,341	42,459
Bad debts written off	<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>



7. Taxation

The Foundation and its subsidiary company are charitable institutions and are exempt from Hong Kong profits tax under section 88 of the Hong Kong Inland Revenue Ordinance.

8. Property, plant and equipment

	Furniture and equipment HK\$	Computer software and hardware HK\$	Total HK\$
<u>The Group</u>			
Cost			
At 31st March 2020	402,750	417,079	819,829
Additions	71,780	14,680	86,460
Disposals	-	(42,100)	(42,100)
At 31st March 2021	474,530	389,659	864,189
Accumulated depreciation			
At 31st March 2020	284,127	403,447	687,574
Charge for the year	41,456	10,585	52,041
Written-back on disposals	-	(42,100)	(42,100)
At 31st March 2021	325,583	371,932	697,515
Net book value			
At 31st March 2021	148,947	17,727	166,674
At 31st March 2020	118,623	13,632	132,255
<u>The Foundation</u>			
Cost			
At 31st March 2020	389,250	417,079	806,329
Additions	71,780	14,680	86,460
Disposals	-	(42,100)	(42,100)
At 31st March 2021	461,030	389,659	850,689
Accumulated depreciation			
At 31st March 2020	280,077	403,447	683,524
Charge for the year	38,756	10,585	49,341
Written-back on disposals	-	(42,100)	(42,100)
At 31st March 2021	318,833	371,932	690,765
Net book value			
At 31st March 2021	142,197	17,727	159,924
At 31st March 2020	109,173	13,632	122,805

In addition to the above property, plant and equipment, the Group/the Foundation owns a piece of leasehold land in Hong Kong which was granted by the Government of the HKSAR without consideration. The Group/The Foundation has contributed the costs of construction of Block K and portions of costs of construction of Block J and main hospital of Alice Ho Miu Ling Nethersole Hospital on the land. As these properties are prohibited from alienation and any purposes other than for the purpose of the hospital according to the Government lease, these properties are considered to be of no commercial value and therefore their book values are nil.

9. Subsidiary company

The Foundation is the sole member of its subsidiary company which is limited by guarantee and has no share capital. There is no investment cost in the subsidiary company.

Particulars of the subsidiary company are as follows:

<u>Name</u>	<u>Place of incorporation</u>	<u>Percentage held</u>	<u>Activity nature</u>
Alice Ho Miu Ling Nethersole Social Service Limited	Hong Kong	100%	To provide community rehabilitation services (including physiotherapy and occupational therapy)

10. Investments

	<u>2021</u> HK\$	<u>2020</u> HK\$
Financial assets at fair value through profit or loss		
Listed equity securities, debt securities and fund investments	<u>1,002,150,230</u>	<u>718,919,376</u>

11. Account receivables and deposits

	<u>The Group</u>		<u>The Foundation</u>	
	<u>2021</u> HK\$	<u>2020</u> HK\$	<u>2021</u> HK\$	<u>2020</u> HK\$
Amount due from the subsidiary company	-	-	809,528	585,387
Other receivables and deposits	<u>6,629,082</u>	<u>6,037,419</u>	<u>5,943,700</u>	<u>5,640,705</u>
	<u>6,629,082</u>	<u>6,037,419</u>	<u>6,753,228</u>	<u>6,226,092</u>

12. Block Grant reserve

	<u>2021</u> HK\$	<u>2020</u> HK\$
At beginning of the year	<u>359,394</u>	<u>787,480</u>
Grant received	1,129,000	1,073,000
Interest income	8	679
Recognized expenditure		
Minor works projects	(798,216)	(1,146,464)
Furniture and equipment	(581,204)	(352,925)
Vehicle overhauling	<u>(32,345)</u>	<u>(2,376)</u>
Deficit for the year	<u>(282,757)</u>	<u>(428,086)</u>
At end of the year	<u>76,637</u>	<u>359,394</u>

12. Block Grant reserve (continued)

The reserve represents the accumulated surplus of Furniture and Equipment Replenishment and Minor Works Block Grant from the Lotteries Fund.

As at 31st March 2021 the outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works Grant were as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Contracted but not provided	-	-
Authorized but not contracted	-	-
	<u>-</u>	<u>-</u>

13. Central Items surpluses

	<u>2021</u> HK\$	<u>2020</u> HK\$
At beginning of the year	726,667	-
Income (Note 25)	262,693	1,592,162
Expenditure (Note 25)	(856,372)	(865,495)
(Deficit)/Surplus for the year	(593,679)	726,667
At end of the year	132,988	726,667

The surpluses represent the accumulated surpluses of "Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the Severe Respiratory Disease associated with a Novel Infectious Agent", "Special Allowance for Staff of Subvented Residential Service Units in respect of COVID-19" and "Time-limited programme on Enhancing Infection Control and Ventilation of Residential Care Homes for the Elderly and Residential Care Homes for Persons with Disabilities - On-site Ventilation Assessment" from the Government of the HKSAR.

14. Lump Sum Grant reserve

	<u>2021</u> HK\$	<u>2020</u> HK\$
At beginning of the year	45,098,744	45,576,825
Income (Note 25)	84,156,326	83,782,381
Expenditure (Note 25)	(85,508,984)	(83,101,827)
(Deficit)/Surplus for the year	(1,352,658)	680,554
Provident fund surplus transferred to Provident Fund reserve (Note 15)	(945,539)	(1,158,635)
	(2,298,197)	(478,081)
At end of the year	42,800,547	45,098,744



14. Lump Sum Grant reserve (continued)

The reserve represents the accumulated surpluses of Lump Sum Grant from the Government of the HKSAR.

Reconciliation of figures presented in Annual Financial Report for SWD:

	<u>Per Financial Statements</u> HK\$	<u>Provident Fund adjustment for previous year</u> HK\$	<u>Per Annual Financial Report</u> HK\$
Total Income	84,156,326	83,458	84,239,784
Total Expenditure	<u>(85,508,984)</u>		<u>(85,508,984)</u>
Deficit for the year	(1,352,658)		(1,269,200)
<u>Less: Surplus of Provident Fund</u>	<u>(945,539)</u>	(83,458)	<u>(1,028,997)</u>
	<u><u>(2,298,197)</u></u>		<u><u>(2,298,197)</u></u>

15. Provident Fund reserve

	<u>2021</u> HK\$	<u>2020</u> HK\$
At beginning of the year	12,666,507	11,507,872
Provident fund surplus for the year (Note 14)	<u>945,539</u>	<u>1,158,635</u>
At end of the year	<u><u>13,612,046</u></u>	<u><u>12,666,507</u></u>

The reserve represents the accumulated surpluses of Provident Fund grant from the Government of the HKSAR.

Reconciliation of figures presented in Annual Financial Report for SWD:

	<u>Per Financial Statements</u> HK\$	<u>Provident Fund adjustment for previous year</u> HK\$	<u>Per Annual Financial Report</u> HK\$
Surplus for the year	945,539	83,458	1,028,997
Surplus brought forward	12,666,507	-	12,666,507
Additional subvention received for previous year	-	56,999	56,999
Subvention refunded for previous year	<u>-</u>	(140,457)	<u>(140,457)</u>
Surplus carried forward	<u><u>13,612,046</u></u>		<u><u>13,612,046</u></u>

16. Social Welfare Development Fund surpluses

The information for the use of the Social Welfare Development Fund ("SWDF") funded by Lotteries Fund is as follows:

<u>2021</u>	<u>Phase 3</u>
	<u>HK\$</u> <u>HK\$</u>
Balance of SWDF brought forward:	705,418
Allocation from SWDF during the financial year	20,400
Amounts clawed back by SWD	-
Interest received during the financial year	13
Expenditure under SWDF during the year	
Expenditure for the projects under scope A	(103,300)
Expenditure for the projects under scope B (non-IT)	-
Expenditure for the projects under scope B (IT)	-
Expenditure for the projects under scope C	-
Expenditure for administrative support	-
Total expenditure during the financial year	<u>(103,300)</u>
Balance carried forward to the next financial year	<u>622,531</u>
 <u>2020</u>	 <u>Phase 3</u>
	<u>HK\$</u> <u>HK\$</u>
Balance of SWDF brought forward:	842,728
Allocation from SWDF during the financial year	556,509
Amounts clawed back by SWD	-
Interest received during the financial year	907
Expenditure under SWDF during the year	
Expenditure for the projects under scope A	(436,380)
Expenditure for the projects under scope B (non-IT)	-
Expenditure for the projects under scope B (IT)	(258,346)
Expenditure for the projects under scope C	-
Expenditure for administrative support	-
Total expenditure during the financial year	<u>(694,726)</u>
Balance carried forward to the next financial year	<u>705,418</u>

The reserve represents the accumulated surpluses of SWDF from Lotteries Fund.

17. Alice Ho Miu Ling Nethersole Nursing Home

	<u>2021</u> HK\$	<u>2020</u> HK\$
At beginning of the year	2,534,102	2,649,454
Deficit for the year (Note 25)	(465,927)	(115,352)
Transfer to COVID-19 Emergency Fund surpluses (Note 18)	<u>(3,923)</u>	<u>-</u>
At end of the year	<u><u>2,064,252</u></u>	<u><u>2,534,102</u></u>

The reserve represents the accumulated surpluses of Alice Ho Miu Ling Nethersole Nursing Home.

18. COVID-19 Emergency Fund surpluses

	<u>2021</u> HK\$	<u>2020</u> HK\$
At beginning of the year	74,554	-
(Deficit)/Surplus for the year (Note 25)	(9,613)	74,554
Transfer from Alice Ho Miu Ling Nethersole Nursing Home (Note 17)	<u>3,923</u>	<u>-</u>
At end of the year	<u><u>68,864</u></u>	<u><u>74,554</u></u>

The surpluses represent the accumulated surpluses of "COVID-19 Emergency Fund" from The Hong Kong Jockey Club Charities Trust.



**ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

**19. Designated Funds**

	At 31.03.2020 HK\$	Income HK\$	Expenditure HK\$	Surplus/ (Deficit) for the year HK\$	Transfer (Remark) HK\$	At 31.03.2021 HK\$
DESIGNATED FOR HOSPITAL SERVICE DEVELOPMENT						
Chan King Yee Memorial Fund	1,417,990	-	-	-	-	1,417,990
Chaplaincy Fund - AHNH	-	981,193	(6,636,825)	(5,655,632)	5,655,632	-
Chaplaincy Fund - PYNEH	-	1,962,246	(5,412,925)	(3,450,679)	3,450,679	-
Elderly Service Fund	284,358	26,200	(170,518)	(144,318)	-	140,040
Departmental Fund	40,722	-	-	-	-	40,722
Equipment Fund	70,026	-	-	-	-	70,026
Central Administration Office Fund	-	4,661,746	(10,932,227)	(6,270,481)	6,270,481	-
Nethersole Institute of Continuing Holistic Health Education Fund	-	755,985	(5,867,347)	(5,111,362)	5,111,362	-
HKACS - Jockey Club "Walking Hand in Hand" Cancer Project	-	2,121,887	(2,125,697)	(3,810)	3,810	-
Special Project Fund	6,290,088	1,026,334	(1,026,755)	(421)	-	6,289,667
	<u>8,103,184</u>	<u>11,535,591</u>	<u>(32,172,294)</u>	<u>(20,636,703)</u>	<u>20,491,964</u>	<u>7,958,445</u>
DESIGNATED FOR HUMAN RESOURCES DEVELOPMENT						
Anne Ward Scholarship Fund	956,232	-	-	-	-	956,232
Staff Training Fund	3,516,291	62,014	(238,636)	(176,622)	-	3,339,669
Staff Welfare Fund	-	-	(1,627,809)	(1,627,809)	1,627,809	-
Vicky Chau Scholarship Fund	615,341	-	-	-	-	615,341
	<u>5,087,864</u>	<u>62,014</u>	<u>(1,866,445)</u>	<u>(1,804,431)</u>	<u>1,627,809</u>	<u>4,911,242</u>
DESIGNATED FOR CONTINGENCY RELIEF/HARDSHIP						
Patients' Welfare Fund	88,547	-	(12,000)	(12,000)	-	76,547
DESIGNATED FOR INDEPENDENT SERVICES						
Chen Yuen Lee Chun Memorial Staff Lodge	14,583,902	7,133,419	(5,619,577)	1,513,842	-	16,097,744
Community & Patient Resource Fund - PYNEH	5,136,040	12,045,014	(11,104,653)	940,361	-	6,076,401
Volunteer & Community Development Fund - AHNH	3,046,728	7,073,573	(7,257,710)	(184,137)	-	2,862,591
	<u>22,766,670</u>	<u>26,252,006</u>	<u>(23,981,940)</u>	<u>2,270,066</u>	<u>-</u>	<u>25,036,736</u>
	<u>36,046,265</u>	<u>37,849,611</u>	<u>(58,032,679)</u>	<u>(20,183,068)</u>	<u>22,119,773</u>	<u>37,982,970</u>

The Funds were set up for various designated purposes.

Remark:

	HK\$
Transfer from Nethersole Hospital Fund (Note 20)	<u>22,119,773</u>

**ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2021**

**19. Designated Funds (continued)**

	At 31.03.2019 HK\$	Income HK\$	Expenditure HK\$	Surplus/ (Deficit) for the year HK\$	Transfer (Remark) HK\$	At 31.03.2020 HK\$
<b>DESIGNATED FOR HOSPITAL SERVICE DEVELOPMENT</b>						
Chan King Yee Memorial Fund	1,417,990	-	-	-	-	1,417,990
Chaplaincy Fund - AHNH	-	410,020	(6,365,897)	(5,955,877)	5,955,877	-
Chaplaincy Fund - PYNEH	-	1,410,113	(5,495,312)	(4,085,199)	4,085,199	-
Elderly Service Fund	198,096	40,405	45,857	86,262	-	284,358
Departmental Fund	20,061	-	20,661	20,661	-	40,722
Equipment Fund	59,026	11,000	-	11,000	-	70,026
Central Administration Office Fund	-	4,128,807	(10,453,691)	(6,324,884)	6,324,884	-
Nethersole Institute of Continuing Holistic Health Education Fund	-	1,601,142	(6,341,443)	(4,740,301)	4,740,301	-
HKACS - Jockey Club "Walking Hand in Hand" Cancer Project	-	1,898,497	(1,903,973)	(5,476)	5,476	-
Special Project Fund	7,280,520	118,180	(1,108,612)	(990,432)	-	6,290,088
	<u>8,975,693</u>	<u>9,618,164</u>	<u>(31,602,410)</u>	<u>(21,984,246)</u>	<u>21,111,737</u>	<u>8,103,184</u>
<b>DESIGNATED FOR HUMAN RESOURCES DEVELOPMENT</b>						
Anne Ward Scholarship Fund	984,496	-	(28,264)	(28,264)	-	956,232
Staff Training Fund	3,756,275	990	(240,974)	(239,984)	-	3,516,291
Staff Welfare Fund	-	-	(2,208,252)	(2,208,252)	2,208,252	-
Vicky Chau Scholarship Fund	615,341	-	-	-	-	615,341
	<u>5,356,112</u>	<u>990</u>	<u>(2,477,490)</u>	<u>(2,476,500)</u>	<u>2,208,252</u>	<u>5,087,864</u>
<b>DESIGNATED FOR CONTINGENCY RELIEF/HARDSHIP</b>						
Patients' Welfare Fund	94,425	-	(5,878)	(5,878)	-	88,547
<b>DESIGNATED FOR INDEPENDENT SERVICES</b>						
Chen Yuen Lee Chun Memorial Staff Lodge	10,943,944	6,846,216	(3,206,258)	3,639,958	-	14,583,902
Community & Patient Resource Fund - PYNEH	4,260,736	12,895,843	(12,020,539)	875,304	-	5,136,040
Volunteer & Community Development Fund - AHNH	3,167,694	7,691,580	(7,812,546)	(120,966)	-	3,046,728
	<u>18,372,374</u>	<u>27,433,639</u>	<u>(23,039,343)</u>	<u>4,394,296</u>	<u>-</u>	<u>22,766,670</u>
	<u>32,798,604</u>	<u>37,052,793</u>	<u>(57,125,121)</u>	<u>(20,072,328)</u>	<u>23,319,989</u>	<u>36,046,265</u>

The Funds were set up for various designated purposes.

Remark:

Transfer from Nethersole Hospital Fund (Note 20)

HK\$

23,319,989

20. Nethersole Hospital Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
At beginning of the year	437,999,847	577,514,223
Dividend and interest received	12,341,991	15,843,298
Net realized/unrealized gain/(loss) on financial assets at fair value through profit or loss	277,615,611	(113,623,728)
Gain on foreign exchange	374,697	59,422
Donations	(32,999,767)	(14,457,317)
Administration and other expenses	(4,472,104)	(4,016,062)
Surplus/(Deficit) for the year	252,860,428	(116,194,387)
Amount transferred to Designated Funds (Note 19)	(22,119,773)	(23,319,989)
At end of the year	668,740,502	437,999,847

The Fund was set up for general purposes.

21. Special Reserve Fund

	<u>2021</u> HK\$	<u>2020</u> HK\$
At beginning of the year	342,708,401	345,306,402
Dividend and interest received	83,851	471,869
Donations	(14,103,780)	(3,069,870)
Deficit for the year	(14,019,929)	(2,598,001)
At end of the year	328,688,472	342,708,401

The Fund was set up for re-development of Alice Ho Miu Ling Nethersole Hospital including non-subvented projects.



22. Categories of financial assets and liabilities

<u>The Group</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<u>Financial assets</u>		
Non-current assets - at fair value		
Financial assets at fair value through profit or loss	1,002,150,230	718,919,376
Current assets - at amortized cost		
Accounts receivables and deposits (excluding prepayments)	6,583,450	6,002,564
Bank and cash balances	<u>107,752,357</u>	<u>182,649,979</u>
	<u>1,116,486,037</u>	<u>907,571,919</u>
<u>Financial liabilities</u>		
Current liabilities - at amortized cost		
Accounts payables and accruals (excluding receipt in advance and provision for annual leave entitlement)	<u>20,480,123</u>	<u>27,865,049</u>
<u>The Foundation</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<u>Financial assets</u>		
Non-current assets - at fair value		
Financial assets at fair value through profit or loss	1,002,150,230	718,919,376
Current assets - at amortized cost		
Accounts receivables and deposits (excluding prepayments)	6,712,788	6,193,361
Bank and cash balances	<u>107,290,673</u>	<u>182,277,625</u>
	<u>1,116,153,691</u>	<u>907,390,362</u>
<u>Financial liabilities</u>		
Current liabilities - at amortized cost		
Accounts payables and accruals (excluding receipt in advance and provision for annual leave entitlement)	<u>20,418,317</u>	<u>27,810,722</u>

23. Commitments for acquisition of property, plant and equipment to be donated

	<u>The Group/The Foundation</u>	
	<u>2021</u> HK\$	<u>2020</u> HK\$
Contracted but not provided	-	-
Authorized but not contracted	<u>76,667,024</u>	<u>103,428,430</u>
	<u>76,667,024</u>	<u>103,428,430</u>

24. Related party transactions

During the year the Group did not undertake any transactions with related parties except the transactions and balances detailed elsewhere in these consolidated financial statements (2020 - Same).

During the year the Foundation undertook the following transaction in addition to the transactions and balances detailed elsewhere in these consolidated financial statements:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Donation to the subsidiary company	<u>6,836,818</u>	<u>6,231,857</u>

25. Alice Ho Miu Ling Nethersole Nursing Home - detailed income and expenditure

	2021										2020									
	Social Welfare Department					Lotteries Fund		The Hong Kong Jockey Club Charities Trust			Social Welfare Department					Lotteries Fund		The Hong Kong Jockey Club Charities Trust		
	Lump Sum Grant	Rent and Rates	Central Items	Innovation and Technology Fund for Application in Elderly and Rehabilitation Care	One-off special grants for COVID-19	Block Grant	Social Welfare Development Fund	COVID-19 Emergency Fund	Non-subservent services	Total	Lump Sum Grant	Rent and Rates	Central Items	Innovation and Technology Fund for Application in Elderly and Rehabilitation Care	Grants to Set up Preventive Measures against the Spread of COVID-19	Block Grant	Social Welfare Development Fund	COVID-19 Emergency Fund	Non-subservent services	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
INCOME																				
Subventions	75,001,293	746,640	989,360	505,200	534,911	1,129,000	20,400	-	-	78,926,804	74,179,758	725,620	1,592,162	153,400	20,000	1,073,000	556,509	-	-	78,300,449
Less Amounts clawed back by SWD	(140,457)	(15,120)	(726,667)	-	-	-	-	-	-	(882,244)	-	-	-	-	-	-	-	-	-	-
	74,860,836	731,520	262,693	505,200	534,911	1,129,000	20,400	-	-	78,044,560	74,179,758	725,620	1,592,162	153,400	20,000	1,073,000	556,509	-	-	78,300,449
Bank interest income	523,231	-	-	-	-	8	13	-	2	523,254	790,257	-	-	-	-	679	907	-	85	791,928
Donation	-	-	-	-	-	-	-	180,000	96,176	276,176	8,500	-	-	-	-	-	-	300,000	10,608	319,108
Fee income	5,546,732	-	-	-	-	-	-	-	-	5,546,732	5,713,432	-	-	-	-	-	-	-	-	5,713,432
Program income	34,240	-	-	-	-	-	-	-	-	34,240	47,920	-	-	-	-	-	-	-	4,180	52,100
Purchasing service income	3,098,218	-	-	-	-	-	-	-	-	3,098,218	2,962,923	-	-	-	-	-	-	-	-	2,962,923
Other income	93,069	-	-	-	-	-	-	-	312,625	405,694	79,591	-	-	-	-	-	-	-	370,484	450,075
	84,156,326	731,520	262,693	505,200	534,911	1,129,008	20,413	180,000	408,803	87,928,874	83,782,381	725,620	1,592,162	153,400	20,000	1,073,679	557,416	300,000	385,357	88,590,015
EXPENDITURE																				
Advertising for recruitment	54,138	-	-	-	-	-	-	-	-	54,138	52,101	-	-	-	-	-	-	-	-	52,101
Audit fee	49,800	-	-	-	-	-	-	-	-	49,800	48,600	-	-	-	-	-	-	-	-	48,600
Bank charges	20,436	-	-	-	-	-	-	-	18,058	38,494	19,312	-	-	-	-	-	-	-	10,786	30,098
Bedding and linen	71,989	-	-	-	-	-	-	-	-	71,989	41,973	-	-	-	-	-	-	-	-	41,973
Central administration fee	626,005	-	-	-	-	-	-	-	-	626,005	674,179	-	-	-	-	-	-	-	-	674,179
Cleaning materials and cleaning charges	228,967	-	-	-	329,911	148,500	-	-	-	707,378	207,966	-	-	-	-	-	-	-	-	207,966
Cooking utensils	7,827	-	-	-	-	-	-	-	-	7,827	41,820	-	-	-	-	-	-	-	-	41,820
Dementia program materials	1,480	-	-	-	-	-	-	-	-	1,480	3,255	-	-	-	-	-	-	-	-	3,255
Electrical appliance	43,478	-	-	-	-	47,424	-	91,738	-	182,640	29,147	-	-	-	-	12,835	-	-	-	41,982
Electricity	2,933,142	-	-	-	-	-	-	-	-	2,933,142	2,987,056	-	-	-	-	-	-	-	-	2,987,056
Food for residents	2,224,324	-	-	-	-	-	-	-	306,057	2,530,381	2,236,554	-	-	-	-	-	-	-	-	2,236,554
Food for staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	378,855	378,855
Furniture	13,111	-	-	-	-	46,756	-	-	-	59,867	57,610	-	-	-	-	102,210	-	-	-	159,820
Gas and fuel	317,572	-	-	-	-	-	-	-	-	317,572	289,323	-	-	-	-	-	-	-	-	289,323
Holistic care service	283,389	-	-	-	-	-	-	-	-	283,389	261,449	-	-	-	-	-	-	-	-	261,449
Household utilities	274,375	-	-	-	-	55,520	-	-	-	329,895	350,327	-	-	-	-	-	-	-	-	350,327
Insurance	589,119	-	-	-	-	-	-	-	-	589,119	553,119	-	-	-	-	-	-	-	-	553,119
IT support services	54,640	-	-	-	-	-	-	-	-	54,640	50,160	-	-	-	-	-	-	-	-	50,160
Medical equipment	157,240	-	-	367,600	-	116,440	-	-	-	641,280	179,060	-	-	-	-	104,740	-	-	-	283,800
Medical expense for residents	1,149,954	-	-	-	20,000	-	-	87,877	-	1,257,831	822,833	-	-	-	20,000	-	-	225,446	-	1,068,279
Medical expense for staff	209,454	-	-	-	-	-	-	-	-	209,454	303,397	-	-	-	-	-	-	-	-	303,397
Miscellaneous	14,851	-	-	-	-	-	-	-	-	14,851	42,157	-	-	-	-	-	-	-	-	42,157
Newspaper and periodicals	9,072	-	-	-	-	-	-	-	496	9,568	10,038	-	-	-	-	-	-	-	-	10,038
Nursing home license	-	-	-	-	-	-	-	-	-	-	900	-	-	-	-	-	-	-	-	900
Occupational equipment	3,932	-	-	-	-	-	-	-	-	3,932	42,058	-	-	153,400	-	9,200	-	-	-	204,658
Office equipment	243,104	-	-	-	-	96,104	-	9,998	-	349,206	199,497	-	-	-	-	32,040	258,346	-	-	489,883
Other travelling	12,171	-	-	-	-	-	-	-	-	12,171	10,808	-	-	-	-	-	-	-	-	10,808
Physical equipment	24,902	-	-	137,600	-	70,460	-	-	-	232,962	33,517	-	-	-	-	91,900	-	-	-	125,417
Postage	2,513	-	-	-	-	-	-	-	-	2,513	1,942	-	-	-	-	-	-	-	-	1,942
Pre-employment medical examination	22,870	-	-	-	-	-	-	-	-	22,870	14,480	-	-	-	-	-	-	-	-	14,480
Printing and stationery	98,526	-	-	-	-	-	-	-	-	98,526	105,380	-	-	-	-	-	-	-	-	105,380
Program expenses	56,496	-	-	-	-	-	-	-	-	56,496	113,099	-	-	-	-	-	-	-	4,180	117,279
Provident fund	3,682,347	-	-	-	-	-	-	-	-	3,682,347	3,680,826	-	-	-	-	-	-	-	-	3,680,826
Rates	-	700,000	-	-	-	-	-	-	-	700,000	-	710,500	-	-	-	-	-	-	-	710,500
Repair and maintenance	3,187,359	-	-	-	-	830,561	-	-	565,265	4,583,185	3,316,360	-	-	-	-	1,148,840	-	-	-	4,465,200
Resident daily necessities	2,988,019	-	-	-	-	-	-	-	-	2,988,019	2,873,235	-	-	-	-	-	-	-	-	2,873,235
Salaries	65,499,908	-	856,372	-	-	-	-	-	(24,846)	66,331,434	63,121,228	-	865,495	-	-	-	-	-	96,888	64,083,611
Security guard services	273,600	-	-	-	-	-	-	-	-	273,600	236,110	-	-	-	-	-	-	-	-	236,110
Staff training	-	-	-	-	-	-	103,300	-	-	103,300	-	-	-	-	-	-	436,380	-	-	436,380
Staff welfare	-	-	-	-	-	-	-	-	9,700	9,700	-	-	-	-	-	-	-	-	10,000	10,000
Telephone and intercom system	78,760	-	-	-	-	-	-	-	-	78,760	90,837	-	-	-	-	-	-	-	-	90,837
Vehicle license	114	-	-	-	-	-	-	-	-	114	114	-	-	-	-	-	-	-	-	114
	(85,508,984)	(700,000)	(856,372)	(505,200)	(349,911)	(1,411,765)	(103,300)	(189,613)	(874,730)	(90,499,875)	(83,101,827)	(710,500)	(865,495)	(153,400)	(20,000)	(1,501,765)	(694,726)	(225,446)	(500,709)	(87,773,868)
Surplus/(Deficit) before transfer	(1,352,658)	31,520	(593,679)	-	185,000	(282,757)	(82,887)	(9,613)	(465,927)	(2,571,001)	680,554	15,120	726,667	-	-	(428,086)	(137,310)	74,554	(115,352)	816,147
Transfer to:																				
Block Grant reserve (Note 12)	-	-	-	-	-	282,757	-	-	-	282,757	-	-	-	-	-	428,086	-	-	-	428,086
Central Items surpluses (Note 13)	-	-	593,679	-	-	-	-	-	-	593,679	-	-	(726,667)	-	-	-	-	-	-	(726,667)
Lump Sum Grant reserve (Note 14)	1,352,658	-	-	-	-	-	-	-	-	1,352,658	(680,554)	-	-	-	-	-	-	-	-	(680,554)
Rent and rate subvention surpluses	-	(31,520)	-	-	-	-	-	-	-	(31,520)	-	(15,120)	-	-	-	-	-	-	-	(15,120)
One-off special grants for COVID-19	-	-	-	-	(185,000)	-	-	-	-	(185,000)	-	-	-	-	-	-	-	-	-	-
Social Welfare Development Fund surpluses (Note 16)	-	-	-	-	-	-	82,887	-	-	82,887	-	-	-	-	-	-	137,310	-	-	137,310
COVID-19 Emergency Fund surpluses (Note 18)	-	-	-	-	-	-	-	9,613	(3,923)	5,690	-	-	-	-	-	-	-	(74,554)	-	(74,554)
Deficit after transfer for the year	-	-	-	-	-	-	-	-	(469,850)	(469,850)	-	-	-	-	-	-	-	-	(115,352)	(115,352)