

CHI LIN NUNNERY

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021



22902502052  
AC  
04/01/2022

0009107

0035

## **CHI LIN NUNNERY**

### **(INCORPORATED UNDER THE HONG KONG COMPANIES ORDINANCE WITH LIMITED LIABILITY BY GUARANTEE)**

#### **DIRECTORS' REPORT**

The directors present their annual report and the audited consolidated financial statements of Chi Lin Nunnery ("the Nunnery") and its subsidiaries (collectively referred to as "the Group") for the year ended March 31, 2021.

#### **PRINCIPAL ACTIVITIES**

The Nunnery is engaged in various charitable activities, including the promotion of Buddhism, cultural, educational and elderly welfare services for the community. It operates a Care and Attention Home, a Day Care Centre for the Elderly, a Home for the Elderly, a Medical Centre, a Buddhist Library, a Secondary School, a Primary School, an Evening School and Nan Lian Garden.

The principal activities of the Nunnery's subsidiaries are set out in note 11 to the consolidated financial statements.

#### **ACCOUNTS**

The results of the Group for the year ended March 31, 2021 are set out in the attached audited consolidated financial statements.

#### **CHARITABLE DONATIONS**

The Group has made charitable donations of HK\$772,801 during the year.

#### **DIRECTORS**

The directors during the year and up to the date of this report were:

##### Directors of the Nunnery

Sik Wang Fun  
Sik Miu Chung  
Sik Wai Chik  
Sik Wei Che  
Sik Wai Hoi  
Shi Wei Zhong  
Sik Wei Jing

Chow Suk-Han, Anna  
Yeung Kit Mei  
Lai Wing, Dominic (Alias: Lai Hing Chiu)  
Ho Hau Hay, Hamilton  
Hui Kwok Leung

In accordance with article 42 of the Nunnery's articles of association, Ms. Chow Suk-Han, Anna, Mr. Lai Wing, Dominic, Mr. Ho Hau Hay, Hamilton and Mr. Hui Kwok Leung after completing their term of three years, retire and, being eligible, offer themselves for re-election.

##### Directors of the Nunnery's subsidiaries

Sik Miu Chung  
Sik Wei Che  
Sik Wai Hoi

Hui Kwok Leung  
Lin Chi Chuen, Johnny  
Lee Wai Sing  
Tsang Yuk Bing (Deceased on April 30, 2021)

## **CHI LIN NUNNERY**

### **(INCORPORATED UNDER THE HONG KONG COMPANIES ORDINANCE WITH LIMITED LIABILITY BY GUARANTEE)**

#### **DIRECTORS' REPORT (CONTINUED)**

##### **PERMITTED INDEMNITY PROVISION**

At no time during the year and up to date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Nunnery.

##### **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the operation of the Nunnery were entered into or existed during the year.

##### **MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS**

In the opinion of the directors, no other transactions, arrangements or contracts of significance in relation to the Nunnery's operation to which the Nunnery or its subsidiaries was a party, in which a director of the Nunnery had a material interest directly or indirectly, subsisted at the end of the year or at any time during the year, except as disclosed in the consolidated financial statements.

##### **BUSINESS REVIEW**

The Nunnery is a traditional Chinese Buddhist Shifang Conglin which is a monastery that welcomes nuns from all quarters to live together for their practice of Buddhism. There are monastic rules governing the ways of living of the resident nuns.

The Nunnery is an approved charitable institution for the promotion of Buddhism and education. Apart from dedicating to promoting Buddhist belief, the Nunnery also participated in various activities, which includes the construction of a Tang style Buddhist monastic complex and a classic Chinese landscape garden, designing and producing Buddhist sculptures and implements, drawing of "Sutra Transformation" fresco, research on Buddhist culture, setting up of a library and organization of a great variety of activities to promote people's understanding and knowledge of Chinese and Buddhist culture.

The Nunnery also operates various facilities for the elderly, develops cultural education by providing tertiary education in the Evening College, operates a library, a Buddhist cultural and research department, a primary school and a secondary school to serve the community. During the year, there are 650 students attending classes in the Evening College and around 1,006 students undertaking courses held by the Buddhist Cultural and Research Department. For the primary school and secondary school, there are 563 and 319 students respectively for the school year. During the year, there are in total of 465 elderly staying in the Care and Attention Home, Day Care Centre for the Elderly and Home for the Elderly. The dental and medical services under the dental and medical clinics have served 9,023 and 5,757 patients respectively.

Furthermore, the Nunnery is entrusted by The Government of the Hong Kong Special Administrative Region to operate and manage a designed and built designated public park known as Nan Lian Garden. Nan Lian Garden has around 699,000 visitors during the year.

0037

## CHI LIN NUNNERY

### (INCORPORATED UNDER THE HONG KONG COMPANIES ORDINANCE WITH LIMITED LIABILITY BY GUARANTEE)

#### DIRECTORS' REPORT (CONTINUED)

#### BUSINESS REVIEW (CONTINUED)

Since the introduction of Buddhism into China a thousand years ago, most of the monasteries in China have been attaching great importance to the promotion of Buddhism and culture. The Nunnery is no exception. Apart from adhering to the tradition, the Nunnery has also started its own collections with regard to religion and culture. Artworks of various fields, antiques, Chinese arts and crafts of high quality are being collected.

The Nunnery has been working towards the goal of inheriting and passing on Chinese cultural tradition through the platform of the Nunnery and Nan Lian Garden. In the past, the Nunnery was mainly engaged in collecting items and it is now accumulating relevant knowledge so that the Nunnery can present the collected items to the public in the future. Apart from traditional Chinese cultural artworks, the Nunnery also collects contemporary crafts which are innovative and of high quality. Among the collected items, many of them are offerings for the monastery as well as implements which are indispensable during the Buddhist ceremonies.

The Nunnery has two wholly-owned subsidiaries incorporated in Hong Kong. The principal activities of its subsidiaries are property holding or not yet commenced business.

#### *Financial review*

Donations received by the Nunnery during the year amounted to approximately HK\$163 million (2020: HK\$120 million), representing a 36% increase over that of 2020. Donations by worshippers are voluntary. The Nunnery provides most of its services for free or at nominal charges. The costs of operation and maintenance are mostly funded by donation income and investment income. During the year, the Nunnery obtained subventions from the Social Welfare Department amounted to approximately HK\$77 million (2020: HK\$73 million) to support its services to the elderly. Net assets of the Nunnery as at March 31, 2021 stand at approximately HK\$858 million (2020: HK\$752 million).

The Nunnery finances its operations with internally generated cash flows and subventions from the Social Welfare Department. The funds are mainly used for (i) renovation works and acquisition of assets on the Nunnery and Nan Lian Garden; (ii) the Nunnery and elderly services' daily operation which includes staff salaries and all supporting resources; (iii) acquisition of Buddhist images, shrines, implements and collections to tie in with the Nunnery's sustainable development; and (iv) promotion of Buddhism.

Most of the Nunnery's bank deposits and cash were denominated in Hong Kong dollars. The Nunnery will continue to use the internal generated cash flows as a major source of funding for future investments and operation plans. The Nunnery's policy is to monitor its current and expected liquidity levels regularly to ensure that it maintains sufficient reserves of cash for its daily operation purposes. Meanwhile, the Nunnery monitors the liquidity position on an on-going basis to ensure sufficient liquid funds are available to meet all obligations as they fall due and to make the most efficient use of the Nunnery's financial resources.

As at March 31, 2021, the Nunnery has no external borrowing and has not entered into any covenant in financing contracts.

0038

## **CHI LIN NUNNERY**

### **(INCORPORATED UNDER THE HONG KONG COMPANIES ORDINANCE WITH LIMITED LIABILITY BY GUARANTEE)**

#### **DIRECTORS' REPORT (CONTINUED)**

#### **BUSINESS REVIEW (CONTINUED)**

##### *Principal risks and uncertainties*

The principal risks arise from fluctuations in revenue generation and the rising cost of operation and maintenance. The major part of our revenue is derived from donations, services provision and investment income, the fluctuations of which pose a challenge in financial forecasting. Recent years have seen an escalation in operating costs, part of which was for complying with new regulations and laws. The Nunnery has been paying much attention to risk management for strengthening risk monitoring of investment portfolios, in order to deal with changing market environments.

##### *Environmental policies*

The Nunnery has adopted a number of “green” measures:

- (1) Growing of trees throughout the Nunnery and Nan Lian Garden, adoption of advanced techniques in pest control, careful management with a view to improving the ecological environment.
- (2) Promotion of “Clean Air Exercise” by energy saving, reducing light pollution and better use of air conditioning.
- (3) Promotion of “Green and Low Carbon Living” by reducing waste, protecting the ecological environment as well as respecting and caring life.

##### *Constitutional/legislative compliance*

Appropriate policies, protocols, guidelines are in place and our compliance with relevant laws and regulations is regularly monitored. No report of non-compliance was received during the year.

##### *Key relationship*

Under the leadership of the abbess of the Nunnery, most of the employees are motivated to work with passion and enthusiasm. Apart from the front-line posts such as security guards, cleaning workers or kitchen helpers, employees of most ranks are rather stable and the turnover rate is low. During the year, there are a total of 546 staff employed. Staff members of the management level are veteran employees who have worked for the Nunnery for eight to sixteen years. The Nunnery was awarded the “Good MPF Employer for 2020/2021” by the Mandatory Provident Fund Schemes Authority. Facing the aging population among the nuns, the Nunnery strives to nurture the younger generation. Much emphasis is being placed on fostering their qualities. Amongst them are nuns who are master degree holders in Buddhism and those who are still studying their degrees. Meanwhile, administration of non-religious daily operations is delegated to employees so that the management capacity of the Nunnery can be further enhanced.

0039

## CHI LIN NUNNERY

### (INCORPORATED UNDER THE HONG KONG COMPANIES ORDINANCE WITH LIMITED LIABILITY BY GUARANTEE)

#### DIRECTORS' REPORT (CONTINUED)

#### BUSINESS REVIEW (CONTINUED)

##### *Key relationship (continued)*

Donations from faithfuls who attended the Buddhist ceremonies throughout the year formed the major source of income of the Nunnery. During the year, there are around 344,000 visitors entered into Buddhist Temple and 44,000 faithfuls attended the Buddhist ceremonies held by the Nunnery. To live with our means has always been the financial management policy which the Nunnery has pursued. The Nunnery has always been financially stable. Since the last century and until now, the development of the Nunnery and the economy of Hong Kong are both steadily moving forward.

The Nunnery is in good and close relationship with the suppliers of daily necessities including food ingredients and other supplies. Since the Nunnery pays promptly after the delivery of goods which in turn helps to relieve the pressure on the suppliers in maintaining their cash flow, suppliers are therefore willing to guarantee the quantity and quality of their supplies to the Nunnery. The major suppliers have been working with the Nunnery for over ten years.

##### *Sustainability*

In response to the hectic life style of people and the need to cope with the serious aging population, the Nunnery has strived to further enhance its services in the following areas:

- (1) Promoting Buddhist cultural education to enrich people's life.
- (2) The introduction of "IT technology" for elderly services in order to consolidate and analyse the data of residents, strengthen the communication among the departments and enhance the management. Meanwhile, the space for performing physiotherapy and occupational therapy has been enlarged, the equipment has been upgraded and the training of volunteers has been strengthened.
- (3) Extension of services provided in the Day Care Centre for the Elderly.
- (4) Strengthening the training for staff of all departments, concern for job safety, continuous review and improvement of workflow and facilities with a view to improving the performance of staff and their job satisfaction.
- (5) Active collaboration with the government departments and counterparts in the social welfare sector in order to join hands for serving the people of Hong Kong.
- (6) Continuous enhancement of environment in order to provide a harmonious and natural environment for people to live and enjoy.

##### *Future development*

The Nunnery aims to maintain its current operations. Apart from maintaining its monastery and the public park in good condition, the Nunnery will keep on improving the place for nuns to practice Buddhism, enhance the quality of leisure ground for people to spend their spare time as well as promoting Buddhist culture and understanding to Hong Kong residents and overseas visitors.

0040

## CHI LIN NUNNERY

(INCORPORATED UNDER THE HONG KONG COMPANIES ORDINANCE  
WITH LIMITED LIABILITY BY GUARANTEE)

### DIRECTORS' REPORT (CONTINUED)

#### BUSINESS REVIEW (CONTINUED)

##### *Future development (continued)*

Besides, the Nunnery will continue to strive on promoting and researching on Chinese traditional culture and arts so that the spirit of Chinese traditional culture and Buddhist culture can be fully introduced in this modern metropolis. Furthermore, the Nunnery will continue to keep its Cultural Department and Evening College in good management so as to provide multiple conditions for people's lifelong learning. The Nunnery will also continue to research and develop means to maintain good quality services for the elderly in our care and attention homes. For education, the Nunnery will aim at developing accountable services for our primary and secondary schools in the future.

The external conditions remain uncertain including the coronavirus ("COVID-19") outbreak. The number of tourists dropped significantly due to the travel restriction, lockdown policy, quarantines in certain areas and forced closures of certain types of public places and business over the world. Although the market condition is going to be more difficult moving forward, the Nunnery is confident that, with precautionary measures, its reputation and the healthy financial position it will be able to cope with the challenges ahead. On the bright side, with the global awareness on the importance of vaccination, there might be a chance of recovery towards the end of the year if vaccination rate could reach a high level in most key countries. To this end, the Nunnery has maintained stable relationship with its visitors, nuns, worshippers and employees.

#### OTHER MATTERS

In the opinion of the directors, there are no other matters, apart from those disclosed in this report, that are material for the members' appreciation of the state of the Nunnery's affairs for the year ended March 31, 2021.

#### AUDITOR

The consolidated financial statements have been audited by Messrs. Nexia Charles Mar Fan Limited who retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board



Sik Wang Fun  
Director

Hong Kong, 26 OCT 2021

0041

## INDEPENDENT AUDITOR'S REPORT

### To the members of Chi Lin Nunnery

(Incorporated under the Hong Kong Companies Ordinance with limited liability by guarantee)

### Opinion

We have audited the annexed consolidated financial statements of Chi Lin Nunnery ("the Nunnery") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at March 31, 2021, the consolidated statements of surplus or deficit and other comprehensive income, the consolidated statement of changes in funds and reserves and the consolidated statement of cash flows for the year then ended, and notes to the 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 consolidated financial position of the Group as at March 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 ("HKSA") 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.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

0042



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the members of  
Chi Lin Nunnery**

(Incorporated under the Hong Kong Companies Ordinance with limited liability by guarantee)

### **Responsibilities of Directors for the Consolidated Financial Statements**

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors 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 directors 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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **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 was 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 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement 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.

0043

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the members of  
Chi Lin Nunnery**

(Incorporated under the Hong Kong Companies Ordinance with limited liability by guarantee)

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements  
(continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 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 the directors 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.



**Nexia Charles Mar Fan Limited**

Certified Public Accountants

Leung Wing Tung

Practising Certificate Number: P05426

26 OCT 2021

0044

CHI LIN NUNNERY

**CONSOLIDATED STATEMENT OF SURPLUS OR DEFICIT AND OTHER  
COMPREHENSIVE INCOME FOR ESTABLISHMENT FUND  
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>REVENUE</b>	4	262,344,610	218,168,468
Other revenue	5	66,054,313	69,261,403
Investment income	6	660,162	752,528
Salaries and wages	7	(123,784,610)	(123,669,471)
Depreciation	7	(28,154,943)	(28,477,604)
Other operating expenses		<u>(74,178,552)</u>	<u>(87,192,105)</u>
<b>Surplus for the year</b>	7	102,940,980	48,843,219
<b>Other comprehensive income for the year</b>			
Items that will not be reclassified to surplus or deficit:			
Change in fair value of financial assets at fair value through other comprehensive income	12	<u>5,408,027</u>	<u>(3,398,056)</u>
<b>Total comprehensive income for the year</b>		<u>\$108,349,007</u>	<u>\$45,445,163</u>
Surplus applied to non-subvented divisions		105,374,894	47,682,053
(Deficit)/surplus applied to subvented divisions		(2,433,914)	1,161,166
Surplus for the year		102,940,980	48,843,219
Other comprehensive income applied to non-subvented divisions		<u>5,408,027</u>	<u>(3,398,056)</u>
<b>Total comprehensive income for the year</b>		<u>\$108,349,007</u>	<u>\$45,445,163</u>

The annexed notes form an integral part of these consolidated financial statements.

**CHI LIN NUNNERY**

**CONSOLIDATED STATEMENT OF SURPLUS OR DEFICIT AND OTHER  
COMPREHENSIVE INCOME FOR OTHER FUNDS  
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Income</b>			
Donations received		4,798,745	2,898,490
Interest income		3	216
Sundry income		2,150,921	3,359,904
<b>Expenditure</b>			
Donations		(772,801)	(1,214,439)
Cost of acquisition of Buddhist images, shrines, implements and collections	3(o)	<u>(7,148,496)</u>	<u>(43,107,089)</u>
<b>Deficit for the year</b>		(971,628)	(38,062,918)
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<u>\$(971,628)</u>	<u>\$(38,062,918)</u>

The annexed notes form an integral part of these consolidated financial statements.

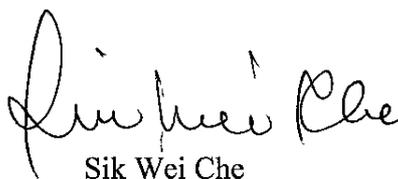
CHI LIN NUNNERY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Non-current assets</b>			
Investment properties	9	19,017,316	20,016,233
Property, plant and equipment	10	462,499,185	479,163,308
Financial assets at fair value through other comprehensive income	12	<u>55,246,000</u>	<u>19,421,831</u>
		536,762,501	518,601,372
<b>Current assets</b>			
Inventories, at cost		43,198	73,037
Other receivables		8,556,336	10,606,400
Utility and other deposits		1,947,639	2,142,149
Pledged bank deposits	16	5,004,402	4,429,825
Fixed deposits with maturity over three months		248,989,413	168,386,158
Cash and bank balances		73,262,250	61,235,768
		337,803,238	246,873,337
<b>Current liabilities</b>			
Accounts payable		11,205,564	8,703,711
Deposits received		1,392,637	1,646,409
		<u>(12,598,201)</u>	<u>(10,350,120)</u>
<b>Net current assets</b>		325,205,037	236,523,217
<b>Total assets less current liabilities</b>		861,967,538	755,124,589
<b>Non-current liabilities</b>			
Provision for long service payments	17	<u>(3,563,771)</u>	<u>(3,457,030)</u>
<b>NET ASSETS</b>		<u>\$858,403,767</u>	<u>\$751,667,559</u>
<b>FUNDS AND RESERVES</b>	18	<u>\$858,403,767</u>	<u>\$751,667,559</u>



Sik Miu Chung  
Director



Sik Wei Che  
Director



Hui Kwok Leung  
Director

The annexed notes form an integral part of these consolidated financial statements.

0047

CHI LIN NUNNERY

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES  
FOR THE YEAR ENDED MARCH 31, 2021

	Establishment Fund - Non-subvented Divisions HK\$	Establishment Fund - Subvented Divisions HK\$ (Note 13)	Other Funds HK\$	Other Reserve HK\$	Financial Assets at Fair Value through Other Comprehensive Income Reserve HK\$	Total HK\$
At April 1, 2019	636,730,975	20,551,869	86,412,362	-	426,564	744,121,770
Surplus/(deficit) for the year	47,682,053	1,161,166	(38,062,918)	-	-	10,780,301
Other comprehensive income for the year	-	-	-	-	(3,398,056)	(3,398,056)
Transfer of net change in fair value of financial assets at fair value through other comprehensive income upon disposal	1,262,744	-	-	-	(1,262,744)	-
Transfer from/(to) funds and reserves Receipt from Social Welfare Department, net	(37,117,036)	-	37,114,938	2,098	-	-
At March 31, 2020 and April 1, 2020	648,558,736	21,876,579	85,464,382	2,098	(4,234,236)	751,667,559
Surplus/(deficit) for the year	105,374,894	(2,433,914)	(971,628)	-	-	101,969,352
Other comprehensive income for the year	-	-	-	-	5,408,027	5,408,027
Transfer of net change in fair value of financial assets at fair value through other comprehensive income upon disposal	2,017,620	-	-	-	(2,017,620)	-
Transfer from/(to) funds Refund to Social Welfare Department, net	3,984,934	-	(3,984,934)	-	-	-
At March 31, 2021	\$759,936,184	\$18,801,494	\$80,507,820	\$2,098	\$(843,829)	\$858,403,767

The annexed notes form an integral part of these consolidated financial statements.

CHI LIN NUNNERY

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Operating activities</b>		
Surplus for the year	102,940,980	48,843,219
Adjustments for:		
Depreciation	28,154,943	28,477,604
Interest income	(2,700,389)	(3,355,333)
Dividend income	(660,162)	(752,528)
Gain on disposal of motor vehicle	-	(32,743)
Provision for long service payments	<u>232,724</u>	<u>355,055</u>
	127,968,096	73,535,274
Decrease in inventories	29,839	24,024
Decrease in other receivables	2,050,064	12,624,242
Decrease/(increase) in utility and other deposits	194,510	(200,000)
Increase/(decrease) in accounts payable	2,501,853	(2,300,840)
(Decrease)/increase in deposits received	(253,772)	40,677
Payments for long service payments	(125,983)	(170,124)
(Refund to)/receipt from Social Welfare Department	<u>(641,171)</u>	<u>163,544</u>
<i>Net cash from operating activities</i>	131,723,436	83,716,797
	-----	-----
<b>Investing activities</b>		
Interest received	2,700,389	3,355,333
Dividend received	660,162	752,528
Purchase of land and buildings	-	(20,017,200)
Purchase of plant and equipment	(10,491,903)	(13,250,200)
Purchase of financial assets at fair value through other comprehensive income	(38,366,810)	-
Proceeds on disposal of motor vehicle	-	115,200
Proceeds on disposal of financial assets at fair value through other comprehensive income	<u>7,950,668</u>	<u>10,641,515</u>
<i>Net cash used in investing activities</i>	(37,547,494)	(18,402,824)
	-----	-----
<b>Financing activities</b>		
Decrease in other funds	(971,628)	(38,062,918)
Increase in pledged bank deposits	(574,577)	(318,892)
Increase in fixed deposits	<u>(80,603,255)</u>	<u>(46,472,580)</u>
<i>Net cash used in financing activities</i>	(82,149,460)	(84,854,390)
	-----	-----
<b>Net increase/(decrease) in cash and cash equivalents</b>	12,026,482	(19,540,417)
<b>Cash and cash equivalents at beginning of year</b>	<u>61,235,768</u>	<u>80,776,185</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$73,262,250</u>	<u>\$61,235,768</u>
	=====	=====
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	<u>\$73,262,250</u>	<u>\$61,235,768</u>

0049

## **CHI LIN NUNNERY**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

#### **1. GENERAL**

Chi Lin Nunnery (“the Nunnery”) is incorporated under the Hong Kong Companies Ordinance with limited liability by guarantee. The registered office of the Nunnery is located at 5 Chi Lin Drive, Diamond Hill, Kowloon, Hong Kong.

The Nunnery is engaged in various charitable activities, including the promotion of Buddhism, cultural, educational and elderly welfare services for the community. It operates a Care and Attention Home, a Day Care Centre for the Elderly, a Home for the Elderly, a Medical Centre, a Buddhist Library, a Secondary School, a Primary School, an Evening School and Nan Lian Garden.

The principal activities of its subsidiaries are set out in note 11 to the consolidated financial statements.

#### **2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The consolidated financial statements comprise the Nunnery and its subsidiaries (collectively referred to as “the Group”), and include Chi Lin Care and Attention Home, Chi Lin Day Care Centre for the Elderly, Chi Lin Home for the Elderly, Chi Lin Nunnery - Nan Lian Garden, Chi Lin Medical Division, Chi Lin Buddhist Library but exclude Chi Lin Buddhist Secondary School, Chi Lin Buddhist Primary School and Chi Lin Evening College.

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for valuation of certain financial instruments as detailed in the significant accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

0050

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The significant accounting policies and methods of computation used in the preparation of these consolidated financial statements are consistent with those used in the annual consolidated financial statements for the prior years, unless otherwise stated.

In preparing the current year's consolidated financial statements, the Group has adopted where appropriate new and revised HKFRSs for the first time. The adoption of these new and revised HKFRSs has not had any significant impact on the results and financial position of the Group for the two years presented.

#### **Accounting estimates and judgements**

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, or in the period of the revision and future periods if the revision affects both current and future periods.

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 3. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of consolidation

The consolidated financial statements include the audited financial statements of the Nunnery and its subsidiaries made up to March 31, 2021. Results of the subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intercompany transactions and balances within the Group are eliminated on consolidation.

##### (b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group or other parties) are considered.

In the Nunnery's statement of financial position, investments in subsidiaries are stated at cost, less any impairment losses.

##### (c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost.

The Group has elected to use the cost model to account for its investment properties, under which land held under operating lease is classified and accounted for as investment properties when the rest of the definition of investment properties is met. The operating lease is accounted for as if it were a finance lease. Investment properties are carried at cost less accumulated depreciation and impairment loss.

Depreciation is provided to write off the cost of investment properties over their unexpired lease term.

Depreciation method is reviewed and adjusted if appropriate at each year-end date.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Nunnery and the cost of the item can be measured reliably. All other repairs and maintenance costs are dealt with in surplus or deficit during the financial year in which they are incurred.

0052

**CHI LIN NUNNERY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Investment properties (continued)**

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

**(d) Leases accounting**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

**(e) Property, plant and equipment**

Property, plant and equipment, other than investment properties, are stated at cost less accumulated depreciation and impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance costs, is normally charged to surplus or deficit in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (e) Property, plant and equipment (continued)

Depreciation is provided to write off the cost of property, plant and equipment, other than investment properties, to their residual values, if any, over their estimated useful lives, at the following rates per annum:

Land and buildings	Over the unexpired lease term
Furniture, fixtures and equipment	10% on reducing balance basis and 20% on straight line basis
Plant and machinery	20% on straight line basis
Motor vehicles	10% on reducing balance basis and 20% on straight line basis

Residual values, useful lives and depreciation method are reviewed and adjusted if appropriate at each year-end date.

The gain or loss on disposal or retirement of an asset is the difference between the net sales proceeds and the carrying amount of the relevant asset and included in surplus or deficit.

##### (f) Financial assets

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in surplus or deficit.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at fair value through other comprehensive income ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to Establishment Fund - Non-subvented Divisions. It is not recycled through surplus or deficit.

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (g) Inventories

Inventories, representing merchandise, are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchases and, where applicable, costs of conversion and other costs that have incurred in bringing the inventories to their present location and condition, is calculated using first-in-first-out method. Net realisable value represents the estimated selling price in the ordinary course of operation less the estimated costs of completion and the estimated costs necessary to make the sale.

##### (h) Receivables

Receivables are recognised initially at transaction price and are subsequently stated at amortised cost using the effective interest method, less allowances for expected credit losses. The Group measures the loss allowance for its receivables at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the year-end date to its recognised amount is recognised in surplus or deficit, as an impairment loss or a reversal of an impairment loss. Receivables are written off (either partially or in full) when there is no reasonable expectation of recovery.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the receivables. The Nunnery applies the simplified approach to providing for expected credit losses for all receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. At every year-end date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

**CHI LIN NUNNERY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Payables**

Payables 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.

**(j) Impairment of assets**

• **Non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to surplus or deficit in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the year-end date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to surplus or deficit in the period in which it arises.

**CHI LIN NUNNERY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Impairment of assets (continued)**

- Financial assets

The Group assesses at the year-end date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

**(k) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**(l) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (“the functional currency”). The financial statements are presented in Hong Kong dollars, which is the Group’s functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (m) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each year-end date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditure expected to be required to settle the obligation.

##### (n) Employee benefits

Salaries, annual bonuses and annual leave are accrued and recognised as an expense in the year in which the associated services are rendered by employees of the Nunnery.

Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Scheme Ordinance are recognised as an expense in surplus or deficit as incurred.

##### (o) Buddhist images, shrines, implements and collections

The recoverable amount of the Buddhist images, shrines, implements and collections could not be determined with reasonable certainty and accordingly, the Board decided that it is appropriate to have the cost of acquisition expensed as incurred against Other Funds.

##### (p) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of surplus or deficit and other comprehensive income over the expected useful life of the relevant asset by equal annual instalments deducted from the carrying amount of the asset and released to the statement of surplus or deficit and other comprehensive income by way of a reduced depreciation charge.

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (q) Revenue recognition

- Donations, subventions and grant receipts are recognised to the extent of cash received and receivable.
- Receipts from the elderly services and receipts for medical services are recognised at point of time when the related services are rendered.
- Foods provision income is recognised at point of time upon delivery of good to customers.
- Management fee income recognised at point of time when related services are rendered.
- Proceeds from sales of snack and souvenir are recognised at point of time upon delivery of goods to customers.
- Rental income is recognised on an accrual basis in accordance with the terms and conditions of the tenancy agreement.
- Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or financial assets at fair value through other comprehensive income (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.
- Dividend income is recognised at the point of time when the right to receive payment is established.

##### (r) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group.

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.

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the Group is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) 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).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

4. REVENUE

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Revenue from other sources:		
Donations	157,711,634	117,173,615
Subventions from Social Welfare Department	<u>76,770,913</u>	<u>73,002,046</u>
	234,482,547	190,175,661
	-----	-----
Revenue from contracts with customers within the scope of HKFRS 15:		
Receipts from the elderly services	27,006,933	26,857,767
Receipts for medical services	<u>855,130</u>	<u>1,135,040</u>
	27,862,063	27,992,807
	-----	-----
	<u>\$262,344,610</u>	<u>\$218,168,468</u>
	=====	=====

0050

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

5. OTHER REVENUE

	<u>2021</u> HK\$	<u>2020</u> HK\$
Other revenue from contracts with customers within the scope of HKFRS 15:		
Food provision income	21,848,158	25,784,905
Management fee income	4,994,208	4,935,600
Proceeds from sales of snack and souvenir	<u>19,774,522</u>	<u>21,474,045</u>
	46,616,888	52,194,550
	-----	-----
Other revenue from other sources:		
Interest income	2,700,389	3,355,333
Rental income (less outgoings)	73,097	1,327,712
Government grants under Employment Support Scheme	10,909,980	-
Exchange gain	535,641	-
Sundry income	<u>5,218,318</u>	<u>12,383,808</u>
	19,437,425	17,066,853
	-----	-----
	<u>\$66,054,313</u>	<u>\$69,261,403</u>
	=====	=====

6. INVESTMENT INCOME

	<u>2021</u> HK\$	<u>2020</u> HK\$
Dividends from listed shares under financial assets at fair value through other comprehensive income	<u>\$660,162</u>	<u>\$752,528</u>
	=====	=====

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

7. SURPLUS FOR THE YEAR

The surplus for the year is arrived at after charging/(crediting):

	<u>2021</u> HK\$	<u>2020</u> HK\$
Auditor's remuneration		
Current year provision	203,993	172,027
Underprovision for prior year	<u>185,000</u>	<u>30,000</u>
	\$388,993	\$202,027
	<u>=====</u>	<u>=====</u>
Depreciation		
Investment properties	998,917	998,918
Property, plant and equipment	<u>27,156,026</u>	<u>27,478,686</u>
	\$28,154,943	\$28,477,604
	<u>=====</u>	<u>=====</u>
Employee benefit expenses		
Salaries and wages	123,784,610	123,669,471
Contributions to Mandatory Provident Funds	<u>7,571,501</u>	<u>7,238,854</u>
	\$131,356,111	\$130,908,325
	<u>=====</u>	<u>=====</u>
Gross rental income from investment properties	(125,500)	(1,420,000)
<u>Less: Direct operating expenses</u>	<u>52,403</u>	<u>92,288</u>
	\$(73,097)	\$(1,327,712)
	<u>=====</u>	<u>=====</u>
Exchange (gain)/loss	\$(535,641)	\$338,842
	<u>=====</u>	<u>=====</u>
Gain on disposal of motor vehicle	\$ -	\$(33,743)
	<u>=====</u>	<u>=====</u>

0062

**CHI LIN NUNNERY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**

**8. DIRECTORS' BENEFITS AND INTERESTS**

Particulars of directors' benefits and interests disclosed pursuant to section 383 of the Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

(a) Directors' emoluments

No directors' emoluments were paid or receivable during the year (2020: HK\$nil) in respect of directors' qualifying services.

(b) Consideration by third parties for making available directors' services

No consideration was provided to or receivable by third parties during the year for making available the services of a person as a director of the Nunnery, or in any other capacity while a director.

(c) Loans, quasi-loans and other dealings

No loans, quasi-loans and other dealings were made during the year in favour of directors, controlled bodies corporate and connected entities director.

(d) Directors' material interests in transactions, arrangements or contracts

Information about material interests of directors in any transactions, arrangements or contracts significant in relation to the Nunnery's operation entered into by the Nunnery for the year is set out in note 21 to the consolidated financial statements.

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 9. INVESTMENT PROPERTIES

	<u>HK\$</u>
<u>Cost</u>	
At April 1, 2019, March 31, 2020 and March 31, 2021	35,000,000 -----
<u>Accumulated depreciation</u>	
At April 1, 2019	13,984,849
Charge for the year	<u>998,918</u>
At March 31, 2020 and April 1, 2020	14,983,767
Charge for the year	<u>998,917</u>
At March 31, 2021	15,982,684 -----
<u>Net book value</u>	
At March 31, 2021	\$19,017,316 =====
At March 31, 2020	\$20,016,233 =====

The investment properties of the Group as at March 31, 2021 are situated in Hong Kong and are held for long-term rental yield or for capital appreciation or both.

The directors of the Group are of the opinion that the aggregate fair value of the investment properties as at March 31, 2021 amounted to approximately HK\$89,000,000 (2020: HK\$100,000,000), measured using direct comparison method with reference to comparable transactions on a price per square foot basis available in the relevant market.

The fair values were measured using valuation techniques with significant unobservable inputs and hence classified within Level 3 of the fair value hierarchy.

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings in Hong Kong HK\$	Furniture, fixtures and equipment HK\$	Plant and machinery HK\$	Motor vehicles HK\$	Total HK\$
<u>Cost</u>					
At April 1, 2019	713,214,700	227,739,654	11,083,215	5,377,179	957,414,748
Additions	20,017,200	12,523,908	289,342	436,950	33,267,400
Disposals	-	-	-	(324,395)	(324,395)
At March 31, 2020 and April 1, 2020	733,231,900	240,263,562	11,372,557	5,489,734	990,357,753
Additions	-	8,461,103	2,030,800	-	10,491,903
At March 31, 2021	733,231,900	248,724,665	13,403,357	5,489,734	1,000,849,656
<u>Accumulated depreciation</u>					
At April 1, 2019	321,873,580	149,823,679	8,985,781	3,274,657	483,957,697
Charge for the year	14,691,368	11,260,160	850,160	676,998	27,478,686
Written off on disposals	-	-	-	(241,938)	(241,938)
At March 31, 2020 and April 1, 2020	336,564,948	161,083,839	9,835,941	3,709,717	511,194,445
Charge for the year	14,691,368	10,699,388	1,102,060	663,210	27,156,026
At March 31, 2021	351,256,316	171,783,227	10,938,001	4,372,927	538,350,471
<u>Net book value</u>					
At March 31, 2021	\$381,975,584	\$76,941,438	\$2,465,356	\$1,116,807	\$462,499,185
At March 31, 2020	\$396,666,952	\$79,179,723	\$1,536,616	\$1,780,017	\$479,163,308

0065

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 11. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries are as follows:

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Percentage of ordinary shares held</u>		<u>Principal activity</u>
		<u>2021</u>	<u>2020</u>	
Mega Rich Corporate Limited	Hong Kong	100%	100%	Property holding
Tak Hung Limited	Hong Kong	100%	100%	Not yet commenced business

#### 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Financial assets measured at fair value through other comprehensive income ("FVOCI") (non-recycling)</b>		
Listed shares in Hong Kong	55,246,000	12,848,000
Listed shares outside Hong Kong	<u>-</u>	<u>6,573,831</u>
	<u>\$55,246,000</u>	<u>\$19,421,831</u>

The fair value measurements for listed equity securities are categorised within Level 1 of the fair value hierarchy. There has been no transfer between the levels during the year.

Fair value gain of the above investments of HK\$5,408,027 (2020: Fair value loss of HK\$3,398,056) are recognised in other comprehensive income and accumulated within the financial assets at FVOCI reserve within equity. The Group will transfer amounts from this reserve to Establishment Fund - Non-subsidised Divisions when the relevant investments are derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

13. ESTABLISHMENT FUND - SUBVENTED DIVISIONS

	Chi Lin Elderly Services Reserve Fund	Block Grant Reserve	Lump Sum Grant Reserve	Social Welfare Development Fund	Central Items Reserve	Provident Fund Reserve	Other Reserves	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At April 1, 2019	1,853,487	645,337	18,933,621	569,823	(14,461)	8,753,438	(10,189,376)	20,551,869
Add: Grant received	655,470	1,000,000	57,874,457	51,871	8,616,728	4,549,320	254,200	73,002,046
Other income	79,412	528	8,627,384	40	-	-	3,091,194	11,798,558
Less: Expenditure	734,882	1,000,528	66,501,841	51,911	8,616,728	4,549,320	3,345,394	84,800,604
	(645,125)	(561,077)	(66,285,544)	(419,306)	(8,438,754)	(3,660,414)	(3,629,218)	(83,639,438)
Surplus/(deficit) for the year	89,757	439,451	216,297	(367,395)	177,974	888,906	(283,824)	1,161,166
Receipt from/(refund to) Social Welfare Department	-	-	-	(20,251)	291,507	(107,712)	-	163,544
At March 31, 2020 and April 1, 2020	1,943,244	1,084,788	19,149,918	182,177	455,020	9,534,632	(10,473,200)	21,876,579
Add: Grant received	380,832	1,056,000	58,781,410	30,000	8,537,404	4,431,282	3,553,985	76,770,913
Other income	38,924	5	8,373,029	1	-	-	2,081,142	10,493,101
Less: Expenditure	419,756	1,056,005	67,154,439	30,001	8,537,404	4,431,282	5,635,127	87,264,014
	(637,145)	(379,245)	(68,047,296)	(211,367)	(8,763,611)	(4,006,750)	(7,652,514)	(89,697,928)
Surplus/(deficit) for the year	(217,389)	676,760	(892,857)	(181,366)	(226,207)	424,532	(2,017,387)	(2,433,914)
Refund to Social Welfare Department	-	-	-	-	(459,538)	(181,633)	-	(641,171)
At March 31, 2021	\$1,725,855	\$1,761,548	\$18,257,061	\$811	\$(230,725)	\$9,777,531	\$(12,490,587)	\$18,801,494

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 14. TAXATION

The Nunnery is exempted from profits tax under Section 88 of the Hong Kong Inland Revenue Ordinance.

The subsidiaries of the Nunnery do not have any assessable income subject to profits tax during the year.

#### 15. OPERATING LEASE ARRANGEMENTS

The Group has entered into non-cancellable operating lease arrangements with tenants and the terms of the leases for two years.

At the year-end date, the Group had future minimum lease rental receivables under non-cancellable operating leases in respect of rental premises, which fall due as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Within one year	-	306,000
In the second to fifth years inclusive	<u>-</u>	<u>5,500</u>
	<u>\$ -</u>	<u>\$311,500</u>

#### 16. PLEDGE OF ASSETS

At March 31, 2021, the Group has pledged its financial assets at fair value through other comprehensive income of HK\$13,710,000 (2020: HK\$11,951,331) and bank balances of HK\$5,004,402 (2020: HK\$4,429,825) in favor of banks for all sums and all liabilities that the Group may at any time and from time to time be indebted to them.

#### 17. PROVISION FOR LONG SERVICE PAYMENTS

	<u>HK\$</u>
At April 1, 2019	3,272,099
Additional provisions	355,055
Utilisation	<u>(170,124)</u>
At March 31, 2020 and April 1, 2020	3,457,030
Additional provisions	232,724
Utilisation	<u>(125,983)</u>
At March 31, 2021	<u>\$3,563,771</u> 0068

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 18. FUNDS AND RESERVES

##### Group's funds and reserves

The Group's funds and reserves are mainly contributed by the Nunnery. The Nunnery does not have any capital. Establishment Funds, Other Funds, Financial Assets at Fair Value through Other Comprehensive Income Reserve represent results from operations in charitable and social welfare activities and investments of the Nunnery. The other funds composed of various funds, each of which has its specific purpose.

All of the Nunnery's funds and reserves are held to safeguard the Nunnery's ability to continue as a going concern.

##### Social Welfare Department reserves and surpluses

The Nunnery receives lump sum grant from the Social Welfare Department ("SWD"). The Lump Sum Grant Reserve and Provident Fund Reserve represent the surplus from subvented activities eligible for lump sum grant. Chi Lin Elderly Services Reserve Fund, Block Grant Reserve, Social Welfare Development Fund and Central Items Reserve represent results from operations in charitable and social welfare activities of the Nunnery.

The Lump Sum Grant Reserve on or before financial years ended March 31, 2007 are not subject to clawback. The clawback arrangement would be applicable for the financial year ended March 31, 2008 onwards subject to the calculation set out by SWD. The brought forward of the Lump Sum Grant Reserve as at April 1, 2007 would be taken as zero.

##### Other Reserve

The Other Reserve is contributed by the Nunnery's subsidiaries as retained earnings.

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

19. GOVERNMENT GRANTS

- (a) Use of the Social Welfare Development Fund ("SWDF") funded by Lotteries Fund

SWDF Phase II

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance of SWDF brought forward	-	20,251
Allocation from SWDF during the year	-	-
Interest received during the year	-	-
Expenditure under SWDF during the year	-	-
Refund to Social Welfare Development	<u>-</u>	<u>(20,251)</u>
Balance carried forward to the next financial year	\$ - <u>      </u>	\$ - <u>      </u>

SWDF Phase III

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance of SWDF brought forward	182,177	549,571
Allocation from SWDF during the year	30,000	51,871
Interest received during the year	1	40
Expenditure under SWDF during the year:		
Expenditure for projects under Scope A	41,528	404,005
Expenditure for projects under Scope B (non-IT)	-	-
Expenditure for projects under Scope B (IT)	169,839	15,300
Expenditure for projects under Scope C	-	-
Expenditure for administrative support	-	-
Total expenditure during the year	<u>(211,367)</u>	<u>(419,305)</u>
Balance carried forward to the next financial year	\$811 <u>      </u>	\$182,177 <u>      </u>

0070

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

19. GOVERNMENT GRANTS (CONTINUED)

(b) Income and expenditure statement for Lotteries Fund Experimental Projects of limited duration for the year ended March 31, 2021

	<u>Chi Lin Care and Attention Home</u> HK\$	<u>Chi Lin Day Care Centre for the Elderly</u> HK\$
Income		
Lotteries fund grant	66,000	13,200
Expenditure		
Operating expenses	<u>(38,062)</u>	<u>(2,277)</u>
Surplus for the year	27,938	10,923
<u>Add:</u> Cumulated income b/f	<u>178,500</u>	<u>35,700</u>
Cumulated expenditure b/f	<u>(13,800)</u>	<u>-</u>
Cumulated surplus b/f	<u>164,700</u>	<u>35,700</u>
Cumulated surplus c/f	<u>\$192,638</u>	<u>\$46,623</u>

Income and expenditure statement for Lotteries Fund Experimental Projects of limited duration for the year ended March 31, 2020

	<u>Chi Lin Care and Attention Home</u> HK\$	<u>Chi Lin Day Care Centre for the Elderly</u> HK\$
Income		
Lotteries fund grant	178,500	35,700
Expenditure		
Operating expenses	<u>(13,800)</u>	<u>-</u>
Surplus for the year	164,700	35,700
<u>Add:</u> Cumulated income b/f	-	-
Cumulated expenditure b/f	-	-
Cumulated surplus b/f	<u>-</u>	<u>-</u>
Cumulated surplus c/f	<u>\$164,700</u>	<u>\$35,700</u>

All income and expenditure were received and incurred for the Lotteries Fund Experimental Projects and in accordance with the Lotteries Fund Manual and the instructions issued by the Social Welfare Department.

0071

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

19. GOVERNMENT GRANTS (CONTINUED)

- (c) Income and expenditure statement for special grant on manpower support for residential and home-space care service units in respect of COVID-19-third round for the year ended March 31, 2021 (2020: Nil).

	<u>Chi Lin Care and Attention Home</u> HK\$
Income	
Special grant on manpower support	14,470
Expenditure	
Relieve staff salary	<u>(14,470)</u>
Surplus for the year	\$ - <u>          </u>

20. FUND-RAISING EVENTS REQUIRING PUBLIC SUBSCRIPTION PERMIT FROM SOCIAL WELFARE DEPARTMENT OR LOTTERY LICENCE FROM THE OFFICE OF LICENSING AUTHORITY

The Nunnery had applied for Public Subscription Permits from the Social Welfare Department for its fund-raising events. The donations from these events have been included in the income from Other Funds, and were allocated to the Nunnery's services units for charitable activities and education services after deduction for expenses incurred thereon. The followings are the details of the fund raising events:

For the year ended March 31, 2021:

	<u>HK\$</u>
(i) Fund-raising event held on September 13, 2020 <u>Public Subscription Permit No.: 2020/070/1</u>	
Income	284,970
Expenditure	<u>-</u>
Surplus of income over expenditure	<u>\$284,970</u> <u>          </u>

The net proceeds raised from the above fund raising event are to be applied to finance the Chi Lin Nunnery Cultural Education Services.

0072

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

20. FUND-RAISING EVENTS REQUIRING PUBLIC SUBSCRIPTION PERMIT  
FROM SOCIAL WELFARE DEPARTMENT OR LOTTERY LICENCE FROM  
THE OFFICE OF LICENSING AUTHORITY (CONTINUED)

For the year ended March 31, 2020:

	<u>HK\$</u>
(i) Fund-raising event held on June 14 to June 16, 2019 <u>Public Subscription Permit No.: 2019/111/1</u>	
Income	11,750
Expenditure	<u>(7,337)</u>
Surplus of income over expenditure	\$4,413 =====

The net proceeds raised from the above fund raising event are to be applied to finance the Chi Lin Nunnery Buddhist Cultural Fund.

	<u>HK\$</u>
(ii) Fund-raising event held on August 25, 2019 <u>Public Subscription Permit No.: 2019/108/1</u>	
Income	341,708
Expenditure	<u>-</u>
Surplus of income over expenditure	\$341,708 =====

The net proceeds raised from the above fund raising event are to be applied to finance the Chi Lin Nunnery Cultural Education Services.

## CHI LIN NUNNERY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### 21. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group had the following related party transactions which were conducted in the normal course of operation:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Donation to Chi Lin Primary School in which Sik Wei Che is the supervisor	7,550	595,598
Donation to Chi Lin Secondary School in which Shi Wei Che is the supervisor	<u>2,760</u>	<u>58,653</u>
	<u>\$10,310</u>	<u>\$654,251</u>

- (b) No key management personnel compensation has been incurred by the Nunnery and the Group during the year.

#### 22. FINANCIAL RISK MANAGEMENT

Financial instruments carried on the consolidated statement of financial position include financial assets at fair value through other comprehensive income, cash and cash equivalents, receivables and payables.

Management reviews and agrees policies for managing the risks arising from the Group's financial instruments. The main risks arising from the Group's financial instruments and policies for managing each of these risks are summarised below.

- (a) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Group's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Group conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while minimising its exposure to market declines.

The performance of the Group's equity investments are monitored regularly, together with an assessment of their relevance to the Group's strategic plans. In the opinion of the directors, the range of reasonable exposure to price changes cannot be reliably estimated and accordingly, no sensitivity analysis is presented.

0074

**CHI LIN NUNNERY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**

**22. FINANCIAL RISK MANAGEMENT (CONTINUED)**

(b) Interest rate risk

The Group's exposure to market risk for changes in interest rate relates primarily to interest bearing bank deposits.

(c) Currency risk

The Group is exposed to the risk that the exchange rate of Hong Kong dollars relative to other currencies may change in a manner, which has an effect on the reported values of the Group's assets and liabilities which are denominated in other currencies.

(d) Credit risk

Credit risk represents the potential loss that the Group would incur if counter parties fail to perform pursuant to the terms of their obligations to the Group. The Group has guidelines and procedures governing the process of granting credit in its operations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

(e) Liquidity risk

The Group's funding requirements and liquidity risks are managed with the objective of meeting its obligations in a timely manner. The Group achieves this by using appropriate management measures and monitoring its cash flow commitments on a regular basis.

The directors, having considered the operations and financial position of the Group, are of the opinion that the above financial risks are not significant.

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

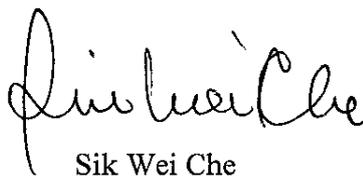
23. STATEMENT OF FINANCIAL POSITION AND FUNDS AND RESERVES  
MOVEMENTS OF THE NUNNERY

(a) Statement of financial position of the Nunnery

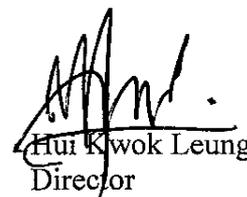
	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Non-current assets</b>		
Investment properties	19,017,316	20,016,233
Property, plant and equipment	449,034,899	465,181,165
Interests in subsidiaries	14,516,886	14,500,002
Financial assets at fair value through other comprehensive income	<u>55,246,000</u>	<u>19,421,831</u>
	537,815,101	519,119,231
	-----	-----
<b>Current assets</b>		
Inventories, at cost	43,198	73,037
Other receivables	8,556,336	10,606,400
Utility and other deposits	1,939,139	2,133,649
Pledged bank deposits	5,004,402	4,429,825
Fixed deposits with maturity over three months	248,989,413	168,386,158
Cash and bank balances	73,261,470	61,233,668
	337,793,958	246,862,737
<b>Current liabilities</b>		
Accounts payable	11,175,564	8,703,711
Deposits received	1,392,637	1,646,409
	<u>(12,568,201)</u>	<u>(10,350,120)</u>
<b>Net current assets</b>	325,225,767	236,512,617
	-----	-----
<b>Total assets less current liabilities</b>	863,040,858	755,631,848
<b>Non-current liabilities</b>		
Provision for long service payments	<u>(3,563,771)</u>	<u>(3,457,030)</u>
<b>NET ASSETS</b>	<u>\$859,477,087</u>	<u>\$752,174,818</u>
	=====	=====
<b>FUNDS AND RESERVES (Note 23(b))</b>	<u>\$859,477,087</u>	<u>\$752,174,818</u>
	=====	=====



Sik Miu Chung  
Director



Sik Wei Che  
Director



Hui Kwok Leung  
Director

0075

CHI LIN NUNNERY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

23. STATEMENT OF FINANCIAL POSITION AND FUNDS AND RESERVES MOVEMENTS OF THE NUNNERY (CONTINUED)

(b) Funds and reserves movements of the Nunnery

	Establishment Fund - Non-subvented Divisions HK\$	Establishment Fund - Subvented Divisions HK\$	Other Funds HK\$	Financial Assets at Fair Value through Other Comprehensive Income Reserve HK\$	Total HK\$
At April 1, 2019	636,730,975	20,551,869	86,412,362	426,564	744,121,770
Surplus/(deficit) for the year	48,189,312	1,161,166	(38,062,918)	-	11,287,560
Other comprehensive income for the year	-	-	-	(3,398,056)	(3,398,056)
Transfer of net change in fair value of financial assets at fair value through other comprehensive income upon disposal	1,262,744	-	-	(1,262,744)	-
Transfer from/(to) funds	(37,114,938)	-	37,114,938	-	-
Receipt from Social Welfare Department, net	-	163,544	-	-	163,544
At March 31, 2020 and April 1, 2020	649,068,093	21,876,579	85,464,382	(4,234,236)	752,174,818
Surplus/(deficit) for the year	105,940,955	(2,433,914)	(971,628)	-	102,535,413
Other comprehensive income for the year	-	-	-	5,408,027	5,408,027
Transfer of net change in fair value of financial assets at fair value through other comprehensive income upon disposal	2,017,620	-	-	(2,017,620)	-
Transfer from/(to) funds	3,984,934	-	(3,984,934)	-	-
Refund to Social Welfare Department, net	-	(641,171)	-	-	(641,171)
At March 31, 2021	\$761,011,602	\$18,801,494	\$80,507,820	\$(843,829)	\$859,477,087

## **CHI LIN NUNNERY**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

#### **24. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED MARCH 31, 2021**

Up to the date of issue of these consolidated financial statements, the HKICPA has issued various amendments, new and revised standards and interpretations (“New HKFRSs”) which are not yet effective for the accounting year ended March 31, 2021. The Group has not elected for early adoption of the new HKFRSs.

The Group is in the process of making an assessment of the potential impact of the New HKFRSs in the year of initial application. So far it has concluded that the adoption of the new HKFRSs is unlikely to have any significant impact on the Group’s results of operations and financial position.

#### **25. EVENTS SUBSEQUENT TO THE YEAR-END DATE**

The COVID-19 outbreak was declared a “Public Health Emergency of International Concern” by the World Health Organisation on January 30, 2020 and a pandemic on March 10, 2020. Actions taken around the world to help mitigate the spread of the COVID-19 include travel and transportation restrictions, quarantines in certain areas and forced closures of certain types of public places and business. The outbreak of COVID-19 and actions taken to mitigate it are expected to continue to have an adverse impact on the economies and financial markets of many countries. The situation of the COVID-19 outbreak is very fluid and the Group is closely monitoring its impact. There may be further adverse impact on the Group’s operation, liquidity, financial condition and results of operations if the conditions last a sustained period of time and continue to develop globally.

#### **26. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements were approved and authorised for issued by the Board of Directors on 26 OCT 2021

(FOR MANAGEMENT PURPOSES ONLY)

**CHI LIN NUNNERY**

**STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE  
INCOME FOR ESTABLISHMENT FUND  
FOR THE YEAR ENDED MARCH 31, 2021**

**THE NUNNERY**

	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>REVENUE</b>	262,344,610	218,168,468
Other revenue	66,054,313	69,261,403
Investment income	660,162	752,528
Salaries and wages	(123,784,610)	(123,669,471)
Depreciation	(27,637,086)	(27,959,747)
Other operating expenses	<u>(74,130,348)</u>	<u>(87,202,703)</u>
<b>Surplus for the year</b>	103,507,041	49,350,478
<b>Other comprehensive income for the year</b>		
Items that will not be reclassified to surplus or deficit:		
Change in fair value of financial assets at fair value through other comprehensive income	<u>5,408,027</u>	<u>(3,398,056)</u>
<b>Total comprehensive income for the year</b>	<u>\$108,915,068</u>	<u>\$45,952,422</u>
Surplus applied to non-subvented divisions	105,940,955	48,189,312
(Deficit)/surplus applied to subvented divisions	(2,433,914)	1,161,166
Surplus for the year	103,507,041	49,350,478
Other comprehensive income applied to non-subvented divisions	<u>5,408,027</u>	<u>(3,398,056)</u>
<b>Total comprehensive income for the year</b>	<u>\$108,915,068</u>	<u>\$45,952,422</u>

(FOR MANAGEMENT PURPOSES ONLY)

**CHI LIN NUNNERY**

**STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE  
INCOME FOR OTHER FUNDS  
FOR THE YEAR ENDED MARCH 31, 2021**

**THE NUNNERY**

	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Income</b>		
Donations received	4,798,745	2,898,490
Interest income	3	216
Sundry income	2,150,921	3,359,904
<b>Expenditure</b>		
Donations	(772,801)	(1,214,439)
Cost of acquisition of Buddhist images, shrines, implements and collections	<u>(7,148,496)</u>	<u>(43,107,089)</u>
<b>Deficit for the year</b>	(971,628)	(38,062,918)
<b>Other comprehensive income for the year</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u><u>\$(971,628)</u></u>	<u><u>\$(38,062,918)</u></u>

(FOR MANAGEMENT PURPOSES ONLY)

**CHI LIN NUNNERY**

**ANALYSIS OF ACCOUNT**

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

**THE NUNNERY**

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
<u>Other operating expenses</u>		
Activities expenses	415,414	673,896
Advertising expenses	81,679	150,352
Auditor's remuneration	358,993	202,027
Bank charges	28,205	26,703
Building management fees	903,866	1,152,556
Consumable stores	3,066,940	3,849,713
Cultural department expenses	306,263	366,114
Dormitory	204,575	317,591
Exchange loss	-	338,842
Exhibition expenses	20,014	46,459
Food provision	11,239,042	14,096,027
Fuel	175,714	138,951
Functions	35,552	58,519
Gardening expenses	482,338	1,138,634
Guest visiting expenses	149,341	262,207
Insurance	4,376,665	4,060,510
IT expenses	-	45,320
Library expenses	91,346	138,764
Licence expenses	14,200	9,125
Local travelling	1,548,270	1,858,239
Medical and cleaning expenses	7,828,009	6,333,271
Medicine and medical consumables	298,974	498,503
MPF contributions	7,571,501	7,238,854
Overseas travelling	23,858	95,148
Religious expenses	3,277,235	8,098,185
Rent and rates	2,562,599	2,801,631
Repairs and maintenance	11,198,976	13,597,614
Service charges	2,266,494	2,469,297
Souvenirs	3,724,874	4,163,154
Sponsoring costs	1,700	8,410
Staff messing	2,922,071	2,681,502
Stationery and printing	442,427	523,123
Sundry expenses	2,282,583	2,180,361
Telephone, fax and postage	190,689	238,952
Travelling expenses	53,563	64,093
Tuck shops expenses	760,439	1,236,593
Uniform expenses	237,773	237,207
Water, electricity and gas	<u>4,988,166</u>	<u>5,806,256</u>
	<u>\$74,130,348</u>	<u>\$87,202,703</u>

0081

(FOR MANAGEMENT PURPOSES ONLY)

CHI LIN NUNNERY

ANALYSIS OF ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2021

THE GROUP

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
<u>Other operating expenses</u>		
Activities expenses	415,414	673,896
Advertising expenses	81,679	150,352
Auditor's remuneration	388,993	202,027
Bank charges	29,525	26,703
Building management fees	903,866	1,144,056
Consumable stores	3,066,940	3,849,713
Cultural department expenses	306,263	366,114
Dormitory	204,575	317,591
Exchange loss	-	338,842
Exhibition expenses	20,014	46,459
Food provision	11,239,042	14,096,027
Fuel	175,714	138,951
Functions	35,552	58,519
Gardening expenses	482,338	1,138,634
Guest visiting expenses	149,341	262,207
Insurance	4,376,665	4,060,510
IT expenses	-	45,320
Library expenses	91,346	138,764
Licence expenses	14,200	9,125
Local travelling	1,548,270	1,858,239
Medical and cleaning expenses	7,828,009	6,333,271
Medicine and medical consumables	298,974	498,503
MPF contributions	7,571,501	7,238,854
Overseas travelling	23,858	95,148
Religious expenses	3,277,235	8,098,185
Rent and rates	2,572,499	2,801,631
Repairs and maintenance	11,198,976	13,597,614
Service charges	2,273,478	2,469,297
Souvenirs	3,724,874	4,163,154
Sponsoring costs	1,700	8,410
Staff messing	2,922,071	2,681,502
Stationery and printing	442,427	523,123
Sundry expenses	2,282,583	2,178,263
Telephone, fax and postage	190,689	238,952
Travelling expenses	53,563	64,093
Tuck shops expenses	760,439	1,236,593
Uniform expenses	237,773	237,207
Water, electricity and gas	<u>4,988,166</u>	<u>5,806,256</u>
	<u>\$74,178,552</u>	<u>\$87,192,105</u>

0082