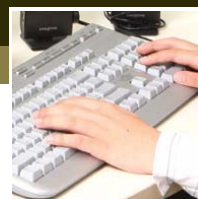


Finance

Overview	46
Consolidated Income and Expenditure Account	47
For the year ended 31 March 2008	
Consolidated Balance Sheet	48
At 31 March 2008	

Finance



Overview

During 2007/08, ASTRI continued to be prudent in its financial management.

In brief, the income for the year amounted to HK\$302,908,670 comprising HK\$119,907,000 from recurrent subvention, HK\$157,622,477 from R&D projects funded by the Innovation and Technology Fund, HK\$10,697,850 received from industry contribution to R&D projects, HK\$14,015,748 project fund from Hong Kong Jockey Club Institute of Chinese Medicine Limited, HK\$100,498 income from royalty and other commercialisation fee, and HK\$565,097 from bank interest. The total recurrent expenditure amounted to HK\$114,260,207 for the year comprising mainly –

- (a) HK\$71,540,700 in respect of salaries and related benefits,
- (b) HK\$14,043,629 in respect of office rental and related building management fees,
- (c) HK\$8,946,738 in respect of consultancy fee, patent expense, and legal and professional fee, and
- (d) HK\$19,729,140 in respect of ASTRI's operating expenses.

As the amount of financial returns on the allocations from the ITF is required to be returned to the Government, ASTRI in 2007/08 returned a total of HK\$518,087 which included the licensing and royalty income.

In line with the agreement with the Innovation and Technology Commission, the amount of HK\$541,345, which represented the bank interest generated from subvention allocation in respect of existing ITF projects, was returned to the Government. After the refund to the Government and the provision for taxation, the surplus for the year on accrual basis is HK\$2,271,010.

The consolidated accounts for the year ended 31 March 2008 of ASTRI and its subsidiary, HKJCICM, have been audited by the external auditor with a clean audit opinion and an extract of the consolidated income and expenditure accounts and consolidated balance sheet was set out on the following pages.

Consolidated Income and Expenditure Account

For the year ended 31 March 2008

	2008 (HK\$)	2007 (HK\$)
SUBVENTION		
Income from Government subvention	119,907,000	119,907,000
Administrative expenses	(114,260,207)	(119,851,198)
Surplus on subvention	5,646,793	55,802
PROJECT FUNDING FROM INNOVATION AND TECHNOLOGY FUND AND INDUSTRY CONTRIBUTION		
Project fund income		
Innovation and Technology Fund	157,622,477	136,183,957
Industry contribution	10,697,850	5,229,587
Project expenditure	(169,120,327)	(141,413,544)
Balance on project funding	(800,000)	-
PROJECT FUNDING FROM HONG KONG JOCKEY CLUB		
Project fund income	14,015,748	22,945,228
Project expenditure	(14,015,748)	(22,945,228)
Surplus on project funding	-	-
OTHER INCOME	665,595	2,233,972
AMOUNT REFUND TO THE GOVERNMENT OF HONG KONG SAR	(518,087)	(3,795,583)
SURPLUS (DEFICIT) BEFORE TAXATION	4,994,301	(1,505,809)
TAXATION	(2,723,291)	(6,019,169)
SURPLUS (DEFICIT) FOR THE YEAR	2,271,010	(7,524,978)

Consolidated Balance Sheet

At 31 March 2008

	2008 (HK\$)	2007 (HK\$)
Non-current asset		
Plant and equipment	8,049,249	13,465,960
Current assets		
Other receivables, prepayments and deposits	99,072	380,159
Bank balances and cash	120,480,326	62,852,530
	120,579,398	63,232,689
Current liabilities		
Other payables and accrued charges	3,994,398	796,995
Receipts in advance	68,971,648	18,252,455
Amount due to the Government of Hong Kong SAR	541,345	763,179
Amount due to Hong Kong Jockey Club	1,892,791	587,931
Tax payables	678,535	6,019,169
	76,078,717	26,419,729
Net current assets	44,500,681	36,812,960
Net assets	52,549,930	50,278,920
Capital and reserve		
Share capital	2	2
Accumulated surplus	52,549,927	50,278,917
Shareholders' funds	52,549,929	50,278,919
Minority interest	1	1
Shareholders' funds	52,549,930	50,278,920