

鄺志才會計師事務所  
c c kwong & company

————— CPA ———  
Chartered Accountants  
CPA (Practising)  
Hong Kong

**HONG KONG REHABILITATION POWER**  
香港復康力量

**REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT  
YEAR ENDED 31 MARCH 2017**

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**REVIEW REPORT TO THE MANAGEMENT BOARD OF  
HONG KONG REHABILITATION POWER (THE "ASSOCIATION")**

We have audited the financial statements of the Association for the year ended 31 March 2017 and have issued an unqualified auditors' report thereon dated 28 November 2017.

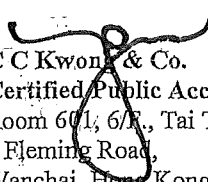
We conducted our review of the attached Annual Financial Report on pages 2 to 11 of the Association for the year ended 31 March 2017 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Association, on which the above audited financial statements of the Association are based.

**Review conclusions**

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Association for the year ended 31 March 2017:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Association; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Association has not:
  - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
  - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR;
  - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
  - iv. employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31 March 2017.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.

  
C C Kwong & Co.  
Certified Public Accountants (Practising)  
Room 601, 6/F., Tai Tung Building  
8 Fleming Road,  
Wanchai, Hong Kong.  
Date:

15 MAR 2018

**ANNUAL FINANCIAL REPORT (AFR)**

**NGO: HONG KONG REHABILITATION POWER**

**1 APRIL, 2016 TO 31 MARCH, 2017**

	Notes	Total 2016-17 HK\$	Total 2015-16 HK\$
<b>A. INCOME</b>			
1. Lump sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	<b>1b</b>	3,523,973	3,375,014
b. Provident Fund	<b>1c</b>	173,810	166,049
2. Special One-off Grant		-	-
3. Fee Income	<b>2</b>	-	-
4. Central Items	<b>3</b>	-	-
5. Rent and Rates	<b>4</b>	62,885	52,656
6. Other Income	<b>5</b>	-	-
7. Interest Received		11	14
<b>TOTAL INCOME</b>		<u>3,760,679</u>	<u>3,593,733</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		2,293,454	2,215,067
b. Provident Fund	<b>1c</b>	107,362	103,119
c. Allowances		-	-
Sub-total	<b>6</b>	<u>2,400,816</u>	<u>2,318,186</u>
2. Other Charges	<b>7</b>	1,068,812	970,804
3. Central Items	<b>3</b>	-	-
4. Rent and Rates	<b>4</b>	128,960	114,748
5. Special One-off Grant Payments	<b>7a</b>	-	-
<b>TOTAL EXPENDITURE</b>		<u>3,598,588</u>	<u>3,403,738</u>
<b>C. SURPLUS FOR THE YEAR</b>	<b>8</b>	<u>162,091</u>	<u>189,995</u>

The Annual Financial Report from pages 2 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

HONG KONG REHABILITATION POWER  
CHAIRMAN

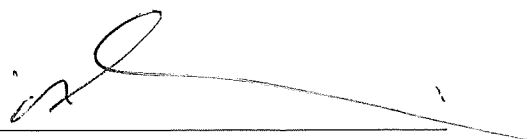


YIP CHAM KAI

DATE:

15 MAR 2018

HONG KONG REHABILITATION POWER  
TREASURER



HUI WAI YEE WENDY

DATE:

15 MAR 2018

## NOTES ON THE ANNUAL FINANCIAL REPORT

### 1. Lump Sum Grant

- a. Basis of preparation** The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. AFR is prepared on cash basis, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. Non-cash items such as depreciation, provisions and accruals are not included in the AFR.
- b. Lump Sum Grant (excluding Provident Fund)** This represents LSG (excluding Provident Fund) received for the year.
- c. Provident Fund** This is Provident Fund received and contributed during the year. Snapshot staff are defined as those staff occupying recognised or holding against subvented posts as at 1 April 2000. 6.8% and other posts represent those staff that are employed after 1 April 2000.

Details are analysed below:

<b>Provident Fund Contribution</b>	<b>Snapshot Staff</b>	<b>6.8% and Other Posts</b>	<b>Total</b>
	HK\$	HK\$	HK\$
Subvention Received	-	173,810	173,810
Provident Fund Contribution Paid during the Year	-	(107,362)	(107,362)
Surplus/ (Deficit) for the Year	-	66,448	66,448
<b>Add: Surplus/ (Deficit) b/f</b>	-	340,552	340,552
<b>Surplus/ (Deficit) c/f</b>	-	407,000	407,000

- 2 Fee Income** This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG

## NOTES ON THE ANNUAL FINANCIAL REPORT

- 3. Central Items** These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs.

The income and expenditure of each of the Central Items are as follows:

	2016-17 HK\$	2015-16 HK\$
<b><u>a. Income</u></b>		
Regularized Programme Assistants / Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	-	-
	-	-
<b><u>b. Expenditure</u></b>		
Regularized Programme Assistants / Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	-	-
	-	-

- 4. Rent & rates** This represents the amount paid by SWD in respect of premises recognised by SWD.

- 5. Other Income** This includes programme income and all income other than recognised social welfare fee income received during the year.  
Non-SWD subventions and donations received need not been included as Other Income in AFR.

The breakdown on Other Income is as follows:

	2016-17 HK\$	2015-16 HK\$
<b><u>Other Income</u></b>		
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Others	-	-
	-	-
	-	-

- 6. Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances.

The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid and under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No of Posts	HK\$
HK\$700,001 - HK\$800,000 p.a.	-	-
HK\$800,001 - HK\$900,000 p.a.	-	-
HK\$900,001 - HK\$1,000,000 p.a.	-	-
HK\$1,000,001 - HK\$1,100,000 p.a.	-	-
HK\$1,100,001 - HK\$1,200,000 p.a.	-	-
>HK\$1,200,000 p.a.	-	-

## NOTES ON THE ANNUAL FINANCIAL REPORT

### 7. Other Charges

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2016-17</u> \$	<u>2015-16</u> \$
(a) Utilities	67,290	141,829
(b) Food	-	-
(c) Administrative Expenses	523,859	424,522
(d) Stores and Equipment	58,629	-
(e) Repair and Maintenance	136,050	63,465
(f) Special Allowances	142,532	229,501
(g) Programme Expenses	22,037	17,307
(h) Transportation and Travelling	80,370	50,687
(i) Insurance	30,613	22,860
(j) Miscellaneous	7,432	20,633
<b>Total</b>	<u><u>1,068,812</u></u>	<u><u>970,804</u></u>

### 7a. Special One-off Grant Payment

Details of Special One-off Grant Payments are as follows:

<b>Special one-off Grant Payments</b>	<u>2016-17</u> \$	<u>2015-16</u> \$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>

**NOTES ON THE ANNUAL FINANCIAL REPORT**

**8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (Year 2016-17)**

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Income</b>					
Lump Sum Grant	3,697,783	-	-	-	3,697,783
Special One-off Grant	-	-	-	-	-
Fee Income	-	-	-	-	-
Other Income	-	-	-	-	-
Interest Received (Note(1))	11	-	-	-	11
Rent and Rates	-	-	62,885	-	62,885
Central Items	-	-	-	-	-
<b>Total Income (a)</b>	<b>3,697,794</b>	<b>-</b>	<b>62,885</b>	<b>-</b>	<b>3,760,679</b>
<b>Expenditure</b>					
Personal Emoluments	2,400,816	-	-	-	2,400,816
Other Charges	1,068,812	-	-	-	1,068,812
Rent and Rates	-	-	128,960	-	128,960
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>3,469,628</b>	<b>-</b>	<b>128,960</b>	<b>-</b>	<b>3,598,588</b>
<b>Surplus / (Deficit) for the Year (a) - (b)</b>	<b>228,166</b>	<b>-</b>	<b>(66,075)</b>	<b>-</b>	<b>162,091</b>
Less: Surplus / (Deficit) of Provident Fund	66,448	-	-	-	66,448
<b>Surplus/(Deficit) b/f (Note(2))</b>	<b>161,718</b>	<b>-</b>	<b>(66,075)</b>	<b>-</b>	<b>95,643</b>
	577,438	-	(232,968)	42,310	386,780
	739,156	-	(299,043)	42,310	482,423
Less: Refund to Government	-	-	-	-	-
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-	-
<b>Surplus / (Deficit) c/f (Note (4))</b>	<b>739,156</b>	<b>-</b>	<b>(299,043)</b>	<b>42,310</b>	<b>482,423</b>



**Notes:**

- (1) All the interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant are included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance of Lump Sum Grant Surplus b/f from previous years (including holding account) and all interest received in
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of **Central Items**
- (4) The level of LSG cumulative reserve will be capped at 25% of the NGO's **operating expenditure** (excluding Provident Fund expenditure) for the year.