

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

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**ANNUAL FINANCIAL REPORT**  
**NGO: HONG KONG REHABILITATION POWER**  
**1 APRIL 2017 TO 31 MARCH 2018**

	NOTES	<u>2017-18</u> HK\$	<u>2016-17</u> HK\$
<b>A. INCOME</b>			
1. Lump sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	3,625,294	3,523,973
b. Provident Fund	1c	178,912	173,810
2. Special One-off Grant		-	-
3. Fee Income	2	-	-
4. Central Items	3	-	-
5. Rent and Rates	4	62,823	62,885
6. Other Income	5	-	-
7. Interest Received		11	11
<b>TOTAL INCOME</b>		<b>3,867,040</b>	<b>3,760,679</b>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		3,294,691	2,293,454
b. Provident Fund	1c	155,982	107,362
c. Allowances		-	-
Sub-total	6	3,450,673	2,400,816
2. Other Charges	7	513,409	1,068,812
3. Central Items	3	-	-
4. Rent and Rates	4	64,480	128,960
5. Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<b>4,028,562</b>	<b>3,598,588</b>
<b>C. (DEFICIT)/SURPLUS FOR THE YEAR</b>	8	<b>(161,522)</b>	<b>162,091</b>

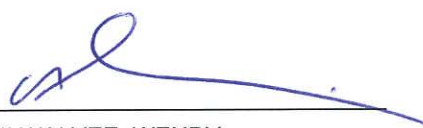
The Annual Financial Report from pages 3 to 12 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

HONG KONG REHABILITATION POWER  
CHAIRMAN



YIP CHAM KAI  
DATE: 30 November 2018

HONG KONG REHABILITATION POWER  
HONORARY TREASURER



HUI WAI YEE, WENDY  
DATE: 30 November 2018

## NOTES ON THE ANNUAL FINANCIAL REPORT

## 1. Lump Sum Grant (LSG)

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. The Provident Fund received and contributed for staff under the Central Items have been shown under 3. Details are analysed below:

<u>Provident Fund (PF) Contribution</u>	6.8% and		<u>Total</u>
	<u>Snapshot</u>	<u>Other</u>	
	<u>Staff</u>	<u>Posts</u>	
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Subvention Received	-	178,912	178,912
Provident Fund Contribution Paid during the Year	-	(155,982)	(155,982)
Surplus for the Year	-	22,930	22,930
<u>Add:</u> Surplus b/f	-	407,000	407,000
Surplus c/f before adjustments	(A) -	429,930	429,930
<u>Add:</u> <u>Adjustments relating to items as mentioned in HKRP's letter dd. 11 May 2018 in response to SWD's letter dd. 17 April 2018:-</u>			
- 2012-13 Adjustment	-	28,063	28,063
- 2013-14 Adjustment	-	33,412	33,412
	(B) -	61,475	61,475
<u>Less:</u> <u>Previous Years' Adjustments clarified in meetings and exchange of letters (re HKRP's letter to SWD dd. 9 August 2018 in response to SWD's letter dd. 23 July 2018)</u>			
PF of staff in training centres (such as shops) providing direct supervision/support previously not claimed			
- 2011-12	-	(2,236)	(2,236)
- 2012-13	-	(4,869)	(4,869)
- 2013-14	-	(6,705)	(6,705)
- 2014-15	-	(5,920)	(5,920)
- 2015-16	-	(10,478)	(10,478)
- 2016-17	-	(5,891)	(5,891)
PF of staff providing administration/support previously under-claimed (Note #)			
- 2011-12	-	(14,692)	(14,692)
- 2012-13	-	(6,502)	(6,502)
- 2015-16	-	(8,258)	(8,258)
- 2016-17	-	(16,438)	(16,438)
PF of staff providing administration/support previously over-claimed (Note #)			
- 2013-14	-	7,040	7,040
- 2014-15	-	734	734
	(C) -	(74,215)	(74,215)
Surplus c/f after adjustments	(A) + (B) + (C) -	417,190	417,190

(Note #) Adjustment of salaries/other charges re: shops' admin. support staff previously under-claimed/over-claimed, due to revision of allocation percentage after review of number of trainees & number of staff in shops providing direct supervision/support to trainees.

## 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 Manual.

### 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 Provident Fund received and contributed for staff under the Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of the LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:-

	<u>2017-18</u>	<u>2016-17</u>
	<u>HK\$</u>	<u>HK\$</u>
<b>a. Income</b>		
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	-	-
<b>b. Expenditure</b>		
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. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

- 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 have not been included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR. The breakdown on Other Income (paragraph 2.29 of LSG Manual (October 2016)) is as follows:-

	<u>2017-18</u>	<u>2016-17</u>
	<u>HK\$</u>	<u>HK\$</u>
<b>Other Income</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 under LSG is appended below:-

<u>Analysis of Personal Emoluments paid under LSG</u>	<u>No of Posts</u>	<u>HK\$</u>
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>2017-18</u>	<u>2016-17</u>
	HK\$	HK\$
<b>Other Charges</b>		
(a) Utilities	22,947	67,290
(b) Food	-	-
(c) Administrative Expenses	109,765	523,859
(d) Stores and Equipment	39,654	58,629
(e) Repair and Maintenance	2,693	136,050
(f) Special Allowances (mainly meal & travelling subsidies to trainees)	275,771	142,532
(g) Programme Expenses	36,456	22,037
(h) Transportation and Travelling	5,752	80,370
(i) Insurance	17,964	30,613
(j) Miscellaneous	2,407	7,432
<b>Total</b>	<u>513,409</u>	<u>1,068,812</u>

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

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

	<u>2017-18</u>	<u>2016-17</u>
	HK\$	HK\$
<b>Special one-off Grant Payments</b>		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
<b>Total</b>	<u>-</u>	<u>-</u>



## NOTES ON THE ANNUAL FINANCIAL REPORT

## 8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (Year 2017-18)

	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	3,804,206	-	-	-	3,804,206
Special One-off Grant	-	-	-	-	-
Fee Income	-	-	-	-	-
Other Income	-	-	-	-	-
Interest Received (Note(1))	11	-	-	-	11
Rent and Rates	-	-	62,823	-	62,823
Central Items	-	-	-	-	-
<b>Total Income</b>	<b>(a)</b> 3,804,217	-	62,823	-	3,867,040
<b>Expenditure</b>					
Personal Emoluments	(3,450,673)	-	-	-	(3,450,673)
Other Charges	(513,409)	-	-	-	(513,409)
Rent and Rates	-	-	(64,480)	-	(64,480)
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>(b)</b> (3,964,082)	-	(64,480)	-	(4,028,562)
<b>Surplus / (Deficit) for the Year (a) + (b)</b>	<b>(a) + (b)</b> (159,865)	-	(1,657)	-	(161,522)
Less: (Surplus) / Deficit of Provident Fund	(22,930)	-	-	-	(22,930)
<b>Surplus/(Deficit) b/f (Note(2))</b>	(182,795)	-	(1,657)	-	(184,452)
	739,156	-	(299,043)	42,310	482,423
<b>Surplus/(Deficit) c/f before adjustments</b>	<b>(A)</b> 556,361	-	(300,700)	42,310	297,971
<b>Adjustments relating to items mentioned in SWD's letters:-</b>					
LSG Reserve (re : SWD letter dated 12 March 2018 (a)(i))	2,025	-	-	-	2,025
Rent & Rates (re : SWD letter dated 12 March 2018 (a)(ii))	-	-	(2,025)	-	(2,025)
Central Items (re : SWD letter dated 12 March 2018 (b))	-	-	-	71,690	71,690
Programme Expenses Overclaimed (re : SWD letter dd. 12 March 2018 & HKRP letter dd. 6 April 2018)	15,982	-	-	-	15,982
Adjustment of Rent & Rates of unrecognized unit (Unit 104) previously included					
- 2016-17	-	-	64,480	-	64,480
- 2015-16	-	-	57,374	-	57,374
- 2014-15	-	-	57,924	-	57,924
- 2013-14	-	-	55,974	-	55,974
- 2012-13	-	-	49,270	-	49,270
Past years' unreconciled balance borne by HKRP	-	-	525	-	525
	<b>(B)</b> 18,007	-	283,522	71,690	373,219
<b>Previous Years' Adjustments clarified in meetings and exchange of letters (re HKRP's letter to SWD dd. 9 August 2018 in response to SWD's letter dd. 23 July 2018)</b>					
<b>2016-17 Adjustments</b>					
- Rent & Rates not recognized	223,631				223,631
- Management Fee not recognized	36,727				36,727
- Travel & Meal Subsidy to Trainees underclaimed	(119,391)				(119,391)
- Salary of staff in training centres (such as shops) providing direct supervision/support previously not claimed	(117,814)				(117,814)
- Salary of staff providing administration/support & Other Charges previously under-claimed (Note #)					
- Salary	(329,886)				(329,886)
- Other Charges	(48)				(48)
<b>2015-16 Adjustments</b>					
- Rent & Rates not recognized	315,701				315,701
- Management Fee not recognized	29,841				29,841
- Subsidy to Trainees not recognized	63,612				63,612
- OJT Employer Wage Subsidy previously not claimed	(5,228)				(5,228)
- Salary of staff in training centres (such as shops) providing direct supervision/support previously not claimed	(210,263)				(210,263)
- Salary of staff providing administration/support previously under-claimed (Note #)	(172,797)				(172,797)

## NOTES ON THE ANNUAL FINANCIAL REPORT

## 8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (Year 2017-18)

	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>Previous Years' Adjustments clarified in meetings and exchange of letters (re HKRP's letter to SWD dd. 9 August 2018 in response to SWD's letter dd. 23 July 2018) (cont'd)</b>					
<u>2014-15 Adjustments</u>					
- Rent & Rates not recognized	311,798				311,798
- Management Fee not recognized	31,527				31,527
- Subsidy to Trainees not recognized	59,076				59,076
- OJT Employer Wage Subsidy previously not claimed	(23,341)				(23,341)
- Salary of staff in training centres (such as shops) providing direct supervision/support previously not claimed	(118,592)				(118,592)
- Salary of staff providing administration/support previously over-claimed (Note #)	14,423				14,423
<u>2013-14 Adjustments</u>					
- Management Fee not recognized	32,214				32,214
- Subsidy to Trainees not recognized	33,462				33,462
- OJT Employer Wage Subsidy previously not claimed	(43,927)				(43,927)
- Salary of staff in training centres (such as shops) providing direct supervision/support previously not claimed	(134,090)				(134,090)
- Salary of staff providing administration/support previously over-claimed (Note #)	139,218				139,218
<u>2012-13 Adjustments</u>					
- Management Fee not recognized	30,578				30,578
- Subsidy to Trainees not recognized	98,904				98,904
- OJT Employer Wage Subsidy previously not claimed	(23,395)				(23,395)
- Salary of staff in training centres (such as shops) providing direct supervision/support previously not claimed	(97,316)				(97,316)
- Salary of staff providing administration/support previously under-claimed (Note #)	(134,110)				(134,110)
<u>2011-12 Adjustments</u>					
- Management Fee not recognized	26,308				26,308
- Subsidy to Trainees not recognized	27,847				27,847
- OJT Employer Wage Subsidy previously not claimed	(43,863)				(43,863)
- Salary of staff in training centres (such as shops) providing direct supervision/support previously not claimed	(64,453)				(64,453)
- Salary of staff providing administration/support previously under-claimed (Note #)	(291,554)				(291,554)
	(C)	-	-	-	(455,201)
Less: Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	(D)	-	-	-	-
Add: Reimbursement from Government (re : SWD letter dated 17 April 2018)	(E)	-	15,521	-	15,521
<b>Surplus / (Deficit) c/f after adjustments (Note (4))</b>	<b>(A) + (B) + (C) + (D) + (E)</b>	119,167	(1,657)	114,000	231,510

(Note #) Adjustment of salaries/other charges re: shops' admin. support staff previously under-claimed/over-claimed, due to revision of allocation percentage after review of number of trainees & number of staff in shops providing direct supervision/support to trainees.

**Notes:**

- (1) 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 previous years are included in the surplus b/f under LSG.
- (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, less LSG Reserve kept in the holding, will be capped at 25% of the NGO's operating expenditure (excluding Provident Fund expenditure) for the year.

**Schedule for Central Items**  
**Analysis of Subvention and Expenditure for the Period from 1 April 2017 to 31 March 2018**

Name of Agency: HONG KONG REHABILITATION POWER (361)

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the year			Surplus b/f (Note 5) (e)	Surplus c/f (Note 6) (f)=(e)+(a)-(b)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)		
6459	Financial Incentive Scheme for Mentors of Employees With Disabilities	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ 114,000 #	
Total:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,000	

**Notes:**

1. The figures for the whole financial year are extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.r.o. the following central items arising from salary adjustment can be transferred to the Lump Sum Grant Reserve as stated in the relevant letter issued by SWD.
  - (i) Dementia Supplement for Elderly with Disabilities
  - (ii) Infirmary Care Supplement for the Aged Blind Persons
  - (iii) Dementia Supplement for Residential Elderly Services
  - (iv) Infirmary Care Supplement for Residential Elderly Services
  - (v) Regularized Programme Assistants (PA) / Care Assistants (CA)
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
7. Unit code and name assigned by SWD should be filed, if available.
8. The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary Care as allocated via SWD's letter ref. SWD/S/E/RC/3 pt. 7 dated 27 February 2017 should also be included in the income/expenditure of the respective items
9. The Central Items as listed above may not be exhaustive and any relevant details in respective of central items released and/or expended during the year, where appropriate, should also be included.

# : The amount (HK\$114,000) is the updated b/f surplus as advised by SWD vide letter dd. 12 March 2018. HKRP is seeking SWD's advice regarding the use of Central Item balance.



**Schedule for Rent and Rates**  
**Analysis of Subvention and Expenditure for the period from 1 April 2017 to 31 March 2018**

Name of Agency: HONG KONG REHABILITATION POWER

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		\$	\$	\$	\$
A001 - Unit #3288 # Unit 103, G/F. Annex Block Yiu Wah House Yiu Tung Estate Hong Kong	Rent (Note 3) Rates	56,430 6,393	56,430 8,050	- -	- (1,657)
	Total	62,823	64,480	-	(1,657)
A002 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
A003 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
A004 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
	<b>Grand Total</b>	62,823	64,480	-	(1,657)

**Notes:**

- The figures are extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial year(s) (i.e. back payments) are not included.
- Surplus / Deficit for each element represents the difference between subvention released and actual expenditure.
- Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

# Please refer to paragraph 5 regarding Rent and Rates of HKRP letter to SWD dd. 9 August 2018.

**Schedule for Investment**  
**Detailed Analysis of Bond/Note as at 31 March 2018**

**NGO: HONG KONG REHABILITATION POWER (361)**

**Investment in HK\$ Bonds/Notes**

	Issuer	Nominal Amount HK\$	Cost of Acquisition HK\$ (Note)	Maturity Date	Coupon % p.a.	Effective Yield % p.a.	Credit Rating	Custodian Bank
1.		-	-					
2.		-	-					
3.		-	-					
4.		-	-					
Total		Nil	Nil					

**Note:** The amount will be reduced in accordance with the proportion of the disposal of the investment.