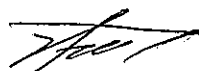


ANNUAL FINANCIAL REPORT
NGO: HONG KONG REHABILITATION POWER
1 APRIL 2018 TO 31 MARCH 2019

	NOTES	<u>2018-19</u> HK\$	<u>2017-18</u> HK\$
A. INCOME			
1. Lump sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	4,147,652	3,625,294
b. Provident Fund	1c	201,781	178,912
2. Special One-off Grant		-	-
3. Fee Income	2	-	-
4. Central Items	3	-	-
5. Rent and Rates	4	62,742	62,823
6. Other Income	5	-	-
7. Interest Received		377	11
TOTAL INCOME		4,412,552	3,867,040
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		3,077,424	3,294,691
b. Provident Fund	1c	142,354	155,982
c. Allowances		5,654	-
Sub-total	6	3,225,432	3,450,673
2. Other Charges	7	514,999	513,409
3. Central Items	3	-	-
4. Rent and Rates	4	61,930	64,480
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		3,802,361	4,028,562
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	610,191	(161,522)

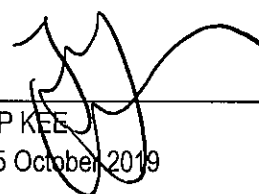
The Annual Financial Report from pages 3 to 12 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

HONG KONG REHABILITATION POWER
CHAIRMAN



YIP CHAM KAI
DATE: 25 October 2019

HONG KONG REHABILITATION POWER
EXECUTIVE DIRECTOR



CHIU LAP KEE
DATE: 25 October 2019

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 Contribution</u>	Snapshot	6.8% and Other	<u>Total</u> <u>HK\$</u>
	<u>Staff</u>	<u>Posts</u>	
	<u>HK\$</u>	<u>HK\$</u>	
Subvention Received	-	201,781	201,781
Provident Fund Contribution Paid during the Year	-	(142,354)	(142,354)
Surplus for the Year	-	59,427	59,427
<u>Add:</u> Surplus b/f	-	417,190	417,190
Surplus c/f before adjustments	(A) -	476,617	476,617
<u>Add:</u> Adjustments for previous years			
<u>2017-18 Adjustments</u>			
PF funded by other source - LK & NL	-	5,860	5,860
<u>2016-17 Adjustments</u>			
PF funded by other source - HKU (SWD email dd 03.06.2019)	-	94	94
PF funded by other source - NL & HKU (SWD email dd 03.06.2019)	-	278	278
	(B) -	6,232	6,232
<u>Less:</u> Refund to Government	(C) -	-	-
Surplus c/f after adjustments	(A) + (B) + (C)	482,849	482,849

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 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>2018-19</u>	<u>2017-18</u>
	<u>HK\$</u>	<u>HK\$</u>
<u>a. Income</u>		
Regularized Programme Assistants / Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
<u>b. Expenditure</u>		
Regularized Programme Assistants / Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

- 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>2018-19</u>	<u>2017-18</u>
	<u>HK\$</u>	<u>HK\$</u>
<u>Other Income</u>		
(a) Fees and charges for services incidental to the operation of subvented services	-	-
(b) Others	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

- 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>2018-19</u>	<u>2017-18</u>
	HK\$	HK\$
Other Charges		
(a) Utilities	16,274	22,947
(b) Food	-	-
(c) Administrative Expenses	136,944	109,765
(d) Stores and Equipment	64,739	39,654
(e) Repair and Maintenance	13,252	2,693
(f) Special Allowances (mainly meal & travelling subsidies to trainees)	198,694	275,771
(g) Programme Expenses	51,048	36,456
(h) Transportation and Travelling	11,230	5,752
(i) Insurance	21,800	17,964
(j) Miscellaneous	1,018	2,407
Total	<u>514,999</u>	<u>513,409</u>

7a. Special One-off Grant Payment

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

	<u>2018-19</u>	<u>2017-18</u>
	HK\$	HK\$
Special one-off Grant Payments		
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	<u>-</u>	<u>-</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (Year 2018-19)

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Income					
Lump Sum Grant	4,349,433	-	-	-	4,349,433
Special One-off Grant	-	-	-	-	-
Fee Income	-	-	-	-	-
Other Income	-	-	-	-	-
Interest Received (Note(1))	377	-	-	-	377
Rent and Rates	-	-	62,742	-	62,742
Central Items	-	-	-	-	-
Total Income	(a) 4,349,810	-	62,742	-	4,412,552
Expenditure					
Personal Emoluments	(3,225,432)	-	-	-	(3,225,432)
Other Charges	(514,999)	-	-	-	(514,999)
Rent and Rates	-	-	(61,930)	-	(61,930)
Central Items	-	-	-	-	-
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	(b) (3,740,431)	-	(61,930)	-	(3,802,361)
Surplus / (Deficit) for the Year (a) + (b)	(a) + (b) 609,379	-	812	-	610,191
Less: (Surplus) / Deficit of Provident Fund	(59,427)	-	-	-	(59,427)
Surplus/(Deficit) b/f (Note(2))	549,952	-	812	-	550,764
	119,167	-	(1,657)	114,000	231,510
	669,119	-	(845)	114,000	782,274
Less: Refund to Government	(17,919)	-	-	-	(17,919)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplementary (Note (3))	-	-	-	-	-
Surplus/(Deficit) c/f before adjustments	(A) 651,200	-	(845)	114,000	764,355
Adjustments relating to items mentioned in SWD's letters:-					
Adjustments per page 8	# 1,216,325	-	-	-	1,216,325
	(B) 1,216,325	-	-	-	1,216,325
Surplus / (Deficit) c/f after adjustments (Note (4))	(A) + (B) 1,867,525	-	(845)	114,000	1,980,680

These are adjustments of previous years' expenditure as agreed with SWD during 2018-19 and adjustments not yet concluded with SWD. In addition, there are some proposed adjustments still under review by SWD and, once finalised with SWD, adjustment will be made in 2019-20 AFR.

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 Infirmity 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.

NOTES ON THE ANNUAL FINANCIAL REPORT

8.A Analysis of Adjustments of Lump Sum Grant Reserve

	TOTAL	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Adjustments:-								
Items related to non-subsentved Services not recognised as per SWD emails of Oct. 2018								
Administrative Expenses of training centres (including shops) not recognised	29,110		21,303	2,799	5,008			
Stores & Equipment not recognised (SWD email dd 19.10.2018)	3,000		3,000					
Repair & Maintenance (SWD email dd 15.10.2018)	336,711		90,160	48,563	82,642	33,038	38,889	43,419
Transportation & Travelling (SWD email dd 23.10.2018)	7,465		1,581	2,256	3,469		159	
Sundry Expenses of training centres (including shops) not recognised	21,762		1,030	7,309	6,123	7,320		
Accounting Inspection (SWD letter dd 6 Mar. 2019, Appendix A)								
Insurance on non-subsentved service unit (Item 2.1a) (SWD email 31 Jan 2019 Item A1(ii))	#		15,493	10,848		3,831		2,594
Non-Cash & unrecognised Repair & Maintenance (Item 2.1b)	#		33,128					
Insurance on Rehab Bus not recognised (Item 2.1b)	#		3,892					
2015-16 Prepaid Insurance (Item 2.1b)	#		3,596	(3,596)				
Vehicle Expenses not recognised (Item 2.1c)	#		72,631	42,459	44,873	11,963	783	
IT Service charge related to ERB not recognised (Item 2.1c)	#		2,917	2,917				
Bank Overdraft Interest not recognised (Item 2.1f) (SWD email 25 Feb 2019 Item 5)	#		465					
Copier's Meter charge related to Flag Day not recognised (Item 2.1e)	#		2,485					
Salaries overclaimed (Item 2.1g & HKRP reply letter dd 2019.06.11)	#		1,333	1,333				
Salaries overclaimed already adjusted in 2017-18 AFR (HKRP email dd 27 Jul 2019)	#		(1,333)	(1,333)				
Non-Cash & Unrecognised Electricity (Item 2.1b)	#		552					
SWD email dd 3 Jun 2019 & HKRP email reply dd 11 Jun 2019								
Utilities other than YT not recognised (SWD email 25 Feb 2019 Item 2(c))	205,891		32,758	49,354	40,981	27,299	29,034	26,465
Utilities funded by other source - HKU (SWD email 25 Feb 2019 Item 2(c))	1,683		1,683					
Utilities funded by other source - NL (SWD email 25 Feb 2019 Item 3(a))	299		299					
Other Charges funded by other source - HKU (SWD email 25 Feb 2019 Item 2(c))	378		378					
Other Charges funded by other source - NL (SWD email 25 Feb 2019 Item 3(a))	703		703					
Salaries funded by other source - HKU (SWD email 25 Feb 2019 Item 2(c))	1,880		1,880					
Salaries funded by other source - NL (SWD email 25 Feb 2019 Item 3(a))	5,559		5,559			65	98	
Bank Charges other than auttopay of salaries not recognised (SWD email dd 25 Feb 2019 Item 7)	9,044		8,681					
SE Administration Costs not recognised (SWD email dd 25 Feb 2019 Item 8)	146,392		146,392					
OJT Employer Wage Subsidy overcharged/undercharged (SWD email dd 31 Jan 2019 Item A5)	43,940		(1,160)	1,160	15,567	(12,980)	2,327	39,026
Programme Expenses not recognised (SWD emails dd 10 Oct 2018 & 31 Jan 2019 Item 3)	14,029				14,029			
Non-Subvented Programme Expenses (SWD email 31 Jan 2019 Item 3 & HKRP reply 11 Jun 2019)	4,252				4,252			
Items wrongly claimed								
Programme Expenses funded by other source - ERB	17,617					17,617		
Advertising Expenses funded by other source - ERB	481					481		
Salaries funded by other source - LK & NL	117,195	117,195						
	1,216,325	117,195	444,204	166,554	216,944	88,634	71,250	111,504

Analysis :

2018-19 Adjustments as agreed with SWD

2018-19 Adjustments not yet concluded with SWD

(Total of #)

248,914

967,411

1,216,325

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2018 to 31 March 2019

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 (Note 3) (b)	Deficit for the year		Surplus b/f (Note 5) (e)	Surplus c/f (Note 6) (f)=(e)+(a)-(d)
						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	\$ 114,000
Total:		\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 114,000	\$ 114,000

Notes:

- The figures for the whole financial year are extracted from the payroll for March, (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provision fund for the respective services after netting off programme income, if any.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- 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.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmity Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmity Care Supplement for Residential Elderly Services
 - Regularized Programme Assistants (PA) / Care Assistants (CA)
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
- Unit code and name assigned by SWD should be filled, if available.
- The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmity Care as allocated via SWD's letter ref.SWD/S/ERC/3 pl. 7 dated 27 February 2017 should also be included in the income/expenditure of the respective items
- The Central items as listed above may not be exhaustive and any relevant details in respect of central items released and/or expended during the year, where appropriate, should also be included.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2018 to 31 March 2019

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 104, G/F. Annex Block Yiu Wah House Yiu Tung Estate Hong Kong	Rent (Note 3)	56,430	56,430	-	-
	Rates	6,312	5,500	-	812
	Total	62,742	61,930	-	812
A002 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
A003 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
A004 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
Grand Total		62,742	61,930	-	812

Notes:

1. 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.
2. Surplus / Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.