

ANNUAL FINANCIAL REPORT

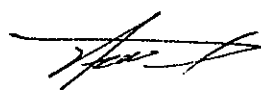
NGO: HONG KONG REHABILITATION POWER

(1 April, 2019 TO 31 March, 2020)

	Notes	2019-20 HK\$	2018-19 HK\$
A. INCOME			
1. Lump sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	5,128,004	4,147,652
b. Provident Fund	1c	243,596	201,781
2. Fee Income	2	-	-
3. Central Items	3	-	-
4. Rent and Rates	4	66,985	62,742
5. Other Income	5	-	-
6. Interest Received		1,359	377
TOTAL INCOME		5,439,944	4,412,552
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		4,087,836	3,077,424
b. Provident Fund	1c	184,930	142,354
c. Allowances		8,326	5,654
Sub-total	6	4,281,092	3,225,432
2. Other Charges	7	558,795	514,999
3. Central Items	3	3,000	-
4. Rent and Rates	4	66,284	61,930
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		4,909,171	3,802,361
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	530,773	610,191

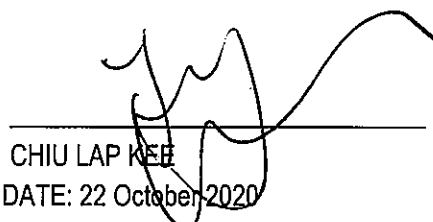
The Annual Financial Report from pages 2 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

HONG KONG REHABILITATION POWER
CHAIRMAN



YIP CHAM KAI
DATE: 22 October 2020

HONG KONG REHABILITATION POWER
EXECUTIVE DIRECTOR



CHIU LAP KEE
DATE: 22 October 2020

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 have not been 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 **Note 3**. Details are analysed below:

<u>Provident Fund (PF) Contribution</u>	6.8% and		Total
	Snapshot Staff	Other Posts	
	HK\$	HK\$	HK\$
Subvention Received	-	243,596	243,596
Provident Fund Contribution Paid during the Year	-	(184,930)	(184,930)
Surplus/ (Deficit) for the Year	-	58,666	58,666
<u>Add:</u> Surplus/ (Deficit) b/f	-	482,849	482,849
Additional subvention received for previous year(s)	-	-	-
<u>Add:</u> Adjustments for previous years' PF based on the agreed allocation basis of 2017-18			
- 2016-17 PF underclaimed	-	(18,299)	(18,299)
- 2015-16 PF underclaimed	-	(13,338)	(13,338)
- 2014-15 PF underclaimed	-	(11,302)	(11,302)
- 2013-14 PF underclaimed	-	(5,044)	(5,044)
- 2012-13 PF underclaimed	-	(7,275)	(7,275)
- 2011-12 PF underclaimed	-	(2,170)	(2,170)
	-	(57,428)	(57,428)
PF of staff in training centre providing direct supervision/support previously not claimed as per HKRP email of 2 June 2020			
- 2016-17 PF not claimed	-	(2,423)	(2,423)
<u>Less:</u> Refund to Government	-	-	-
Surplus/ (Deficit) c/f	-	481,664	481,664

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:

	2019-20 HK\$	2018-19 HK\$
<u>a. Income</u>		
Regularized Programme Assistants / Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	-	-
	-	-
<u>b. Expenditure</u>		
Regularized Programme Assistants / Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	3,000	-
	3,000	-
	3,000	-

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:

	2019-20 HK\$	2018-19 HK\$
<u>Other Income</u>		
(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:

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>	2019-20 HK\$	2018-19 HK\$
(a) Utilities	18,401	16,274
(b) Food	-	-
(c) Administrative Expenses	166,037	136,944
(d) Stores and Equipment	52,542	64,739
(e) Repair and Maintenance	35,402	13,252
(f) Special Allowances	244,752	198,694
(g) Programme Expenses	5,882	51,048
(h) Transportation and Travelling	6,606	11,230
(i) Insurance	28,397	21,800
(j) Miscellaneous	776	1,018
Total	558,795	514,999

NOTES ON THE ANNUAL FINANCIAL REPORT

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (Year 2019-20)

	Analysis of Reserve Fund			
	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$
Income				
Lump Sum Grant	5,371,600	-	-	5,371,600
Fee Income	-	-	-	-
Other Income	-	-	-	-
Interest Received (Note(1))	1,359	-	-	1,359
Rent and Rates	-	66,985	-	66,985
Central Items	-	-	-	-
Total Income (a)	5,372,959	66,985	-	5,439,944
Expenditure				
Personal Emoluments	4,281,092	-	-	4,281,092
Other Charges	558,795	-	-	558,795
Rent and Rates	-	66,284	-	66,284
Central Items	-	-	3,000	3,000
Total Expenditure (b)	4,839,887	66,284	3,000	4,909,171
Surplus / (Deficit) for the Year (a) - (b)	533,072	701	(3,000)	530,773
Less: Surplus / (Deficit) of Provident Fund	58,666	-	-	58,666
	474,406	701	(3,000)	472,107
Surplus/(Deficit) b/f (Note(2))	1,867,525	(845)	114,000	1,980,680
	2,341,931	(144)	111,000	2,452,787
Add: Refund from Government - Rates of 2017-18	-	1,657	-	1,657
Less: Refund to Government - Rates of 2018-19	-	(812)	-	(812)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note (3))	-	-	-	-
Surplus/(Deficit) c/f before Adjustments	2,341,931	701	111,000	2,453,632
Adjustments:-				
Adjustments per Note 8A	(1,799,350)	-	-	(1,799,350)
Deficit absorbed by the Association's General Fund (as per SWD letter dated 7/7/2020)				
2011-12 Deficit	331,959	-	-	331,959
2012-13 Deficit	303,821	-	-	303,821
2013-14 Deficit	81,838	-	-	81,838
Surplus / (Deficit) c/f (Note (4))	1,260,199	701	111,000	1,371,900

Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items 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 Infirmiry 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.

8A. Analysis of Adjustments in respect of Lump Sum Grant Reserve**Adjustments as per SWD reply email dated 27 February 2020:-****A) Items not yet claimed as per HKRP email dated 20 January 2020**

	Total HK\$	2017-18 HK\$	2016-17 HK\$	2015-16 HK\$	2014-15 HK\$	2013-14 HK\$	2012-13 HK\$	2011-12 HK\$
1 Advertising Fee not claimed	(19,383)						(19,383)	
2 Accountancy Fee not claimed	(72,420)						(72,420)	
3 Audit Fees not claimed	(116,465)	(21,749)	(23,596)	(26,490)	(37,630)		(3,500)	(3,500)
4 Bank Charges for Autopay of Salaries not claimed	(7,742)			(1,410)	(1,728)	(1,728)	(1,704)	(1,172)
5 Postage, Printing & Stationery not claimed	(6,558)						(6,558)	
6 Repair & Maintenance on equipment not claimed	(7,212)						(7,212)	
7 Travelling Expenses not claimed	(2,367)						(2,367)	
8 Utilities of Yiu Tung Centre not claimed	(34,016)							(34,016)
9 Subvented Staff Medical Allowance not claimed (SWD email dated 14 December 2018)	(26,121)	(7,708)	(6,092)	(4,183)	(4,724)	(3,414)		

B) Items underclaimed (based on the agreed allocation basis of 2017-18 as per SWD email dated 16 August 2019)

1 Utilities & Other Charges of Yiu Tung Centre overclaimed/(underclaimed)	77,152		19,385	25,948	18,359	12,058	11,082	(9,680)
2 Telephone, fax & Internet underclaimed	(26,886)			(7,341)	(3,081)	(2,529)	(2,585)	(11,350)
3 Administrative Expenses underclaimed	(38,598)		(6,021)	(5,630)	(4,706)	(1,470)	(1,706)	(19,065)
4 Stores & Equipment underclaimed	(5,115)		(5,115)					
5 Repair & Maintenance on equipment underclaimed	(14,483)		(1,499)	(2,866)	(552)	(825)	(705)	(8,036)
6 Programme Expenses underclaimed	(24,839)		(5,667)	(5,934)	(13,238)			
7 Travelling Expenses underclaimed	(2,337)		(666)	(782)	(357)	(369)	(163)	
8 Insurance underclaimed	(12,603)		(356)	(2,248)	(446)	(464)	(7,316)	(1,773)
9 Sundry Expenses underclaimed	(3,763)		(818)	(654)	(534)	(301)	(1,456)	
10 Salaries underclaimed	(1,373,692)		(409,690)	(300,831)	(246,845)	(169,608)	(180,663)	(66,055)

C) Items underclaimed as per SWD email dated 10 October 2019 and HKRP email dated 10 December 2019

Subvented Insurance underclaimed (HKRP reply dated 11 June 2019 to SWD email dated 31 January 2019 Item A1(ii))	(33,444)		(3,792)	(3,490)		(6,977)	(14,277)	(4,908)
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Items not claimed as per HKRP email dated 2 June 2020

Salaries of staff in training centre providing direct supervision/support previously not claimed

	(48,458)		(48,458)					
Total	(1,799,350)	(29,457)	(492,385)	(335,911)	(295,482)	(175,627)	(310,933)	(159,555)

Schedule for Central Items
Analysis of Subvention and Expenditure for the Period from 1 April 2019 to 31 March 2020

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)		
6459	Financial Incentive Scheme for Mentors of Employees With Disabilities	\$ -	3,000	-	(3,000)	N.A.	114,000	111,000
Total:		\$ -	3,000	-	(3,000)	-	114,000	111,000

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 provident 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
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary 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 no. are extracted from the payroll from SWD and remittance advice from the Treasury respectively.
- 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.

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2019 to 31 March 2020

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)	60,534	60,534	-	-
	Rates	6,451	5,750	701	-
	Total	66,985	66,284	701	-
A002 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
A003 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
A004 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
Grand Total		66,985	66,284	701	-

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.

Schedule for Investment
Analysis of Investment as at 31 Mar 2020
Agency: HONG KONG REHABILITATION POWER

Balance as at 31 March 2020

	Under LSG Subvention System				Under LF	Total
	LSG Reserve	PF Reserve	Central Item	Rent & Rates	#SWDF	
Amount	1,260,199	481,664	111,000	701	513,638	2,367,202

Represented by:

	Under LSG Subvention System				Under LF	Total
	LSG Reserve	PF Reserve	Central Item	Rent & Rates	SWDF	
Amount						
(a) HKD Bank Account Balances	1,260,199	481,664	111,000	701	513,638	2,367,202
(b) HKD 24-hour Call Deposits	-	-	-	-	-	
(c) HKD Fixed Deposits	-	-	-	-	-	
(d) HKD Certificate of Deposits	-	-	-	-	-	
(e) HKD Bonds (see Appendix 4 for breakdown)	-	-	-	-	-	
Total :						

Note # : This represents the total of SWDF Phase II (HK\$302,231) and Phase III (HK\$211,407) balances. The balance of Phases II will be clawed back by SWD. Please refer to disclosure Notes of HKRP's Audited Financial Statements for the year ended 31 March 2020 regarding SWDF for details.

Bank and cash balances of the organisation as a whole as at 31 March 2020:

HK\$ 2,821,821

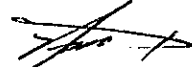
Note :

- The investments should be reported at historical cost.
- In case there is a difference between the total amount of reserve balances and investments, it should be clearly explained by way of notes to be attached to the schedule.

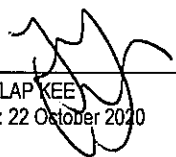
Confirmed by:

HONG KONG REHABILITATION POWER
CHAIRMAN

HONG KONG REHABILITATION POWER
EXECUTIVE DIRECTOR



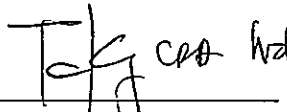
YIP CHAM KAI
DATE: 22 October 2020



CHIU LAP KEE
DATE: 22 October 2020

We have checked the above balances of investments against the original copy of the relevant records obtained from banks and/or financial institutions, and confirm that the information reported in this Schedule is correct.

Certified by external auditor:

Signature: 

Name of audit firm: Tai Kong CPA Limited
Date: 22 October 2020

Abbreviations:

LF: Lotteries Fund
LSG: Lump Sum Grant
PF: Provident Fund
SWDF: Social Welfare Development Fund

Schedule for Investment
Detailed Analysis of Bond/Note as at 31 March 2020

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.