

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

**ASSURANCE REPORT**  
**ON THE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2023**

**||| INNO CPA LIMITED**  
**||| Certified Public Accountants**

**HONG KONG REHABILITATION POWER  
ASSURANCE REPORT ON THE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

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**INDEPENDENT AUDITOR'S ASSURANCE REPORT  
TO THE BOARD OF COUNCIL MEMBERS OF  
HONG KONG REHABILITATION POWER**

(Incorporated in Hong Kong with limited by guarantee)

**To the Board of Council Members of Hong Kong Rehabilitation Power ("the Association")**

We have audited the financial statements of the Association for the year ended 31 March 2023 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unmodified auditor's report thereon dated 18 September 2023.

Pursuant to the Lump Sum Grant ("LSG") Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), we have been requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the Association for the year ended 31 March 2023.

**Responsibilities of the Council Members**

In relation to this report, the Council Members are responsible for ensuring the AFR of the Association for the year ended 31 March 2023 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD; and the use of the funds from the LSG by the Association has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Auditor's Responsibility**

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and with reference to Practice Note 851 (Revised), Reporting on the Annual Financial Reports of Non-governmental Organisations issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**INDEPENDENT AUDITOR'S ASSURANCE REPORT CONTINUED  
TO THE BOARD OF COUNCIL MEMBERS OF  
HONG KONG REHABILITATION POWER**  
(Incorporated in Hong Kong with limited by guarantee)

**Auditor's Responsibility continued**

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN 851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.

In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the Association being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relating to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Conclusion**

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 2023:

1. In our opinion, the AFR of the Association for the year ended 31 March 2023 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.
2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the LSG by the Association has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

**Intended Users and Purpose**

This report is intended solely for submission by the Association to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.



**INNO CPA LIMITED**  
Certified Public Accountants

Chan Cheuk Wai Jack  
Practising Certificate No.: P06240

Hong Kong  
Date: 18 September 2023

# ANNUAL FINANCIAL REPORT

NGO: HONG KONG REHABILITATION POWER

(1 April 2022 to 31 March 2023)

	Notes	2022-23 HK\$	2021-22 HK\$
<b>A. INCOME</b>			
1. Lump sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	<b>1b</b>	5,226,910	5,180,054
b. Provident Fund	<b>1c</b>	247,177	243,585
2. Fee Income	<b>2</b>	-	-
3. Central Items	<b>3</b>	-	-
4. Rent and Rates	<b>4</b>	70,302	67,224
5. Other Income	<b>5</b>	-	-
6. Interest Received		1,750	24
<b>TOTAL INCOME</b>		5,546,139	5,490,887
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		4,861,064	4,264,706
b. Provident Fund	<b>1c</b>	213,279	197,746
c. Allowances		24,112	20,549
Sub-total	<b>6</b>	5,098,455	4,483,001
2. Other Charges	<b>7</b>	561,510	907,370
3. Central Items	<b>3</b>	1,500	3,000
4. Rent and Rates	<b>4</b>	66,262	63,184
<b>TOTAL EXPENDITURE</b>		5,727,727	5,456,555
<b>C. (DEFICIT)/SURPLUS FOR THE YEAR</b>	<b>8</b>	(181,588)	34,332

The Annual Financial Report from pages 3 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: 18 SEPTEMBER 2023

HONG KONG REHABILITATION POWER  
EXECUTIVE DIRECTOR

CHIU LAP KEE

DATE: 18 SEPTEMBER 2023

## 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 which are separately included as part of the income and expenditure of the relevant items have been shown under **Note 3**. Details are analysed below:

<u>Provident Fund (PF) Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	HK\$	HK\$	HK\$
Subvention Received	-	247,177	247,177
Provident Fund Contribution	-	(213,279)	(213,279)
Surplus for the Year	-	33,898	33,898
<u>Add:</u> Surplus b/f	-	563,354	563,354
<u>Less:</u> One-Off Voluntary Provident Fund Contribution	-	(161,002)	(161,002)
<b>Surplus c/f</b>	<b>-</b>	<b>436,250</b>	<b>436,250</b>

**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 subsidies allocated to NGOs for specific purposes on a recurrent, time limited or one-off basis 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. Any surplus, which is not allowed to be offset by any deficit of another item, is subject to clawback by SWD according to the terms and conditions of individual central items. 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). The income and expenditure of each of the Central Items are as follows:

	2022-23 HK\$	2021-22 HK\$
<b><u>a. Income</u></b>		
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	-	-
<b><u>b. Expenditure</u></b>		
Financial Incentive Scheme for Mentors of Employees with Disabilities	1,500	3,000
	1,500	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 of the FSA activities/FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

	2022-23 HK\$	2021-22 HK\$
<b><u>Other Income</u></b>	-	-
	-	-

- 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>	<b>2022-23</b> HK\$	<b>2021-22</b> HK\$
(a) Utilities	26,216	24,138
(b) Food	-	-
(c) Administrative Expenses	222,152	223,779
(d) Stores and Equipment	24,992	40,361
(e) Repair and Maintenance	5,933	9,087
(f) Special Allowances	95,106	352,688
(g) Programme Expenses	132,441	168,918
(h) Transportation and Travelling	1,594	3,717
(i) Insurance	40,226	70,966
(j) Miscellaneous	12,850	13,716
<b>Total</b>	<b>561,510</b>	<b>907,370</b>



**NOTES ON THE ANNUAL FINANCIAL REPORT**

**8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (Year 2022-23)**

	Analysis of Reserve Fund			
	Lump Sum Grant (LSG) HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
<b>Income</b>				
Lump Sum Grant	5,474,087	-	-	5,474,087
Fee Income	-	-	-	-
Other Income	-	-	-	-
Interest Received (Note(1))	1,750	-	-	1,750
Rent and Rates	-	70,302	-	70,302
Central Items	-	-	-	-
<b>Total Income (a)</b>	<b>5,475,837</b>	<b>70,302</b>	<b>-</b>	<b>5,546,139</b>
<b>Expenditure</b>				
Personal Emoluments	5,098,455	-	-	5,098,455
Other Charges	561,510	-	-	561,510
Rent and Rates	-	66,262	-	66,262
Central Items	-	-	1,500	1,500
<b>Total Expenditure (b)</b>	<b>5,659,965</b>	<b>66,262</b>	<b>1,500</b>	<b>5,727,727</b>
<b>Surplus / (Deficit) for the Year (a) - (b)</b>	<b>(184,128)</b>	<b>4,040</b>	<b>(1,500)</b>	<b>(181,588)</b>
Less: Surplus / (Deficit) of Provident Fund	(33,898)	-	-	(33,898)
<b>Surplus/(Deficit) b/f (Note(2))</b>	<b>1,047,459</b>	<b>4,040</b>	<b>98,000</b>	<b>1,149,499</b>
<b>Less: Refund to Government - 2021-22 Rates</b>	<b>-</b>	<b>(4,040)</b>	<b>-</b>	<b>(4,040)</b>
Add: Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note (3))	-	-	-	-
<b>Surplus / (Deficit) c/f (Note (4))</b>	<b>829,433</b>	<b>4,040</b>	<b>96,500</b>	<b>929,973</b>

**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 all interest received in previous years (see (1) above) should be reported 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 (i.e. Total Expenditure excluding Provident Fund expenditure) for the year. For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year) accordingly.

**Schedule for Central Items**  
**Analysis of Subvention and Expenditure for the Period from 1 April 2022 to 31 March 2023**

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)-(b)
						Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d)=(b)-(c)		
6459	Financial Incentive Scheme for Mentors of Employees With Disabilities	HK\$ -	HK\$ 1,500	HK\$ -	HK\$ (1,500)	HK\$ -	HK\$ (1,500)	HK\$ 98,000	HK\$ 96,500
<b>Total:</b>		-	1,500	-	(1,500)	N/A	(1,500)	98,000	96,500

**Notes:**

- The figures for the whole financial year are extracted from the payroll for March (Final) or remittance advice(s) issued by the Treasury or allocation letter(s) issued by the Social Welfare Department of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income.
- 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 SWD's letter ref.(33) in SWD/S/104/2 Pt. 18 dated 4 March 2020.
  - 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
 For items other than those listed above, please insert "N.A.".
- "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/remittance advice no. are extracted from the payroll from SWD and remittance advice from The Treasury, respectively.
- As the above schedule may not be exhaustive in content, 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 2022 to 31 March 2023**

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)
		HK\$	HK\$	HK\$	HK\$
A001 - Unit #3288 Unit 103, G/F. Annex Block Yiu Wah House Yiu Tung Estate Hong Kong	Rent (Note 3)	63,612	63,612	-	-
	Rates	6,690	2,650	-	4,040
	<b>Total</b>	<b>70,302</b>	<b>66,262</b>	<b>-</b>	<b>4,040</b>
A002 - xxxxxxxxxxxxxx	Rent Rates				
	<b>Total</b>				
A003 - xxxxxxxxxxxxxx	Rent Rates				
	<b>Total</b>				
A004 - xxxxxxxxxxxxxx	Rent Rates				
	<b>Total</b>				
<b>Grand Total</b>		<b>70,302</b>	<b>66,262</b>	<b>-</b>	<b>4,040</b>

**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 March 2023**  
**Agency: HONG KONG REHABILITATION POWER**

**Balance as at 31 March 2023**

	Under LSG Subvention System				Under LF	Total
	#LSG Reserve	PF Reserve	Central Item	Rent & Rates	SWDF	
Amount: HK\$	829,433	436,250	96,500	4,040	11,670	1,377,893

**Represented by:**

	Under LSG Subvention System				Under LF	Total
	LSG Reserve	PF Reserve	Central Item	Rent & Rates	SWDF	
Amount: HK\$						
(a) HKD Bank Account Balances	829,433	436,250	96,500	4,040	11,670	1,377,893
(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 SWDF Phase III balance: HK\$11,670. Please refer to disclosure Notes of HKRP's Audited Financial Statements for the year ended 31 March 2023 regarding SWDF for details.

**Bank and cash balances of the organisation as a whole as at 31 March 2023: HK\$2,318,183****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



YIP OHAM KAI

DATE: 18 SEPTEMBER 2023

HONG KONG REHABILITATION POWER  
EXECUTIVE DIRECTOR




CHIU LAP KEE

DATE: 18 SEPTEMBER 2023

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: INNO CPA LIMITED  
Date: 18 SEPTEMBER 2023

**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 2023**

**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.		-	-					
<b>Total</b>		<b>Nil</b>	<b>Nil</b>					

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