

HONG KONG REHABILITATION POWER
香港復康力量

REVIEW REPORT
ON THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

 **INNO CPA LIMITED**
Certified Public Accountants

**HONG KONG REHABILITATION POWER
REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Table of content	Pages
Independent Auditor's Review Report.....	1
Annual Financial Report	2-10

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

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 2022 and have issued an unqualified auditors' report thereon dated 7 October 2022.

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Association for the year ended 31 March 2022 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 2022:

- 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 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 Provident Fund arrangements during the year ended 31 March 2022. 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.



INNO CPA LIMITED
Certified Public Accountants

Chan Cheuk Wai Jack
Practising Certificate No.: P06240

Hong Kong
Date: 7 October 2022

ANNUAL FINANCIAL REPORT

NGO: HONG KONG REHABILITATION POWER

(1 April 2021 to 31 March 2022)

	Notes	2021-22 HK\$	2020-21 HK\$
A. INCOME			
1. Lump sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	5,180,054	5,168,428
b. Provident Fund	1c	243,585	243,585
2. Special One-off Grant		-	-
3. Fee Income	2	-	-
4. Central Items	3	-	-
5. Rent and Rates	4	67,224	67,224
6. Other Income	5	-	-
7. Interest Received		24	20
TOTAL INCOME		5,490,887	5,479,257
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		4,264,706	4,353,818
b. Provident Fund	1c	197,746	205,840
c. Allowances		20,549	10,511
Sub-total	6	4,483,001	4,570,169
2. Other Charges	7	907,370	761,408
3. Central Items	3	3,000	10,000
4. Rent and Rates	4	63,184	61,034
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		5,456,555	5,402,611
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	34,332	76,646

The Annual Financial Report from pages 2 to 10 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: 7 OCTOBER 2022

HONG KONG REHABILITATION POWER
EXECUTIVE DIRECTOR

CHIU LAP KEE
DATE: 7 OCTOBER 2022

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:

Provident Fund (PF) Contribution	Snapshot Staff	6.8% and Other Posts	Total
	HK\$	HK\$	HK\$
Subvention Received	-	243,585	243,585
Provident Fund Contribution Paid during the Year	-	(197,745)	(197,745)
Surplus/ (Deficit) for the Year	-	45,840	45,840
<u>Add:</u> Surplus/ (Deficit) b/f	-	517,514	517,514
<u>Less:</u> Refund to Government			
Surplus/ (Deficit) c/f	-	563,354	563,354

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.

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:

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	2021-22 HK\$	2020-21 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	10,000
	3,000	10,000
	3,000	10,000

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:

	2021-22 HK\$	2020-21 HK\$
<u>Other Income</u>		
(a) Fees and charges for services incidental to 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>	<u>2021-22</u> HK\$	<u>2020-21</u> HK\$
(a) Utilities	24,138	8,897
(b) Food	-	-
(c) Administrative Expenses	223,779	223,607
(d) Stores and Equipment	40,361	54,207
(e) Repair and Maintenance	9,087	15,919
(f) Special Allowances	352,688	256,181
(g) Programme Expenses	168,918	160,397
(h) Transportation and Travelling	3,717	3,696
(i) Insurance	70,966	36,909
(j) Miscellaneous	13,716	1,595
Total	<u>907,370</u>	<u>761,408</u>

7a. Special One-off Grant Payment

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

<u>Special one-off Grant Payments</u>	<u>2021-22</u> HK\$	<u>2020-21</u> HK\$
(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 2021-22)

	Analysis of Reserve Fund			
	Lump Sum Grant (LSG)	Rent and Rates	Central Items	Total
	HK\$	HK\$	HK\$	HK\$
Income				
Lump Sum Grant	5,423,639	-	-	5,423,639
Special One-off Grant	-	-	-	-
Fee Income	-	-	-	-
Other Income	-	-	-	-
Interest Received (Note(1))	24.00	-	-	24
Rent and Rates	-	67,224	-	67,224
Central Items	-	-	-	-
Total Income (a)	5,423,663	67,224	-	5,490,887
Expenditure				
Personal Emoluments	4,483,001	-	-	4,483,001
Other Charges	907,370	-	-	907,370
Rent and Rates	-	63,184	-	63,184
Central Items	-	-	3,000	3,000
Special One-off Grant Payments	-	-	-	-
Total Expenditure (b)	5,390,371	63,184	3,000	5,456,555
Surplus / (Deficit) for the Year (a) - (b)	33,292	4,040	(3,000)	34,332
Less: Surplus / (Deficit) of Provident Fund	45,840	-	-	45,840
	(12,548)	4,040	(3,000)	(11,508)
Surplus/(Deficit) b/f (Note(2))	1,095,118	6,190	101,000	1,202,308
Less: Refund to Government - 2020-21 Rates	1,082,570	10,230	98,000	1,190,800
	-	(6,190)	-	(6,190)
Add: Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	-	-	-	-
Less: Capital Expenditure from LSG Reserve :- - Computer server	(35,600)	-	-	(35,600)
Surplus/(Deficit) c/f before Adjustments	1,046,970	4,040	98,000	1,149,010
Adjustments:-				
Less: Capital Expenditure from LSG Reserve :- - Equipment for making promotion films for training and employment purposes	960	-	-	960
Transfer interest income to SWDF Phase 2:- - 2018 Interest income	(127)	-	-	(127)
- 2019 Interest income	(339)	-	-	(339)
- 2020 Interest income	(3)	-	-	(3)
Transfer interest income to SWDF Phase 3:- - 2020 Interest income	(2)	-	-	(2)
Surplus / (Deficit) c/f (Note (4))	1,047,459	4,040	98,000	1,149,499

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 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 2021 to 31 March 2022

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)	Deficit for the year		Surplus b/f (Note 5)	Surplus c/f (Note 6)
					Deficit (Note 3)	Adjusted Deficit		
		(a)	(b)	(c)	(d)=(b)-(c)	(e)	(f)=(e)+(a)-(b)	
6459	Financial Incentive Scheme for Mentors of Employees With Disabilities	\$ -	\$ 3,000	\$ -	(3,000)	-	101,000	98,000
	Total:	-	3,000	-	(3,000)	-	101,000	98,000

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 assigned by SWD should be filed, if available.
- 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
- 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

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from 1 April 2021 to 31 March 2022

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	60,534	60,534	-	-
		6,690	2,650	4,040	-
	Total	67,224	63,184	4,040	-
A002 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
A003 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
A004 - xxxxxxxxxxxxxx	Rent Rates				
	Total				
Grand Total		67,224	63,184	4,040	-

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.

Schedule for Investment
Analysis of Investment as at 31 March 2022
Agency: HONG KONG REHABILITATION POWER

Balance as at 31 March 2022

	Under LSG Subvention System				Under LF	Total
	LSG Reserve	PF Reserve	Central Item	Rent & Rates	#SWDF	
Amount	1,047,459	563,354	98,000	-	332,863	2,041,676

Represented by:

	Under LSG Subvention System				Under LF	Total
	LSG Reserve	PF Reserve	Central Item	Rent & Rates	SWDF	
Amount						
(a) HKD Bank Account Balances	1,047,459	563,354	98,000	-	332,863	2,041,676
(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\$302,702) and Phase III (HK\$30,161) balances. The balance of Phases II was clawed back by SWD on 19 April 2022. Please refer to disclosure Notes of HKRP's Audited Financial Statements for the year ended 31 March 2022 regarding SWDF for details.

Bank and cash balances of the organisation as a whole as at 31 March : HK\$ 3,175,095

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 CHAM KAI

DATE: 7 OCTOBER 2022

HONG KONG REHABILITATION POWER
EXECUTIVE DIRECTOR


CHIU LAP KEE

DATE: 7 OCTOBER 2022

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: 7 October 2022

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 2022

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.