

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

**REVIEW REPORT**  
**ON THE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

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

**HONG KONG REHABILITATION POWER  
REVIEW REPORT ON THE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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瑞卓會計師事務所有限公司  
INNO CPA LIMITED  
Certified Public Accountants

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**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 2021 and have issued an unqualified auditors' report thereon dated 4 September 2021.

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Association for the year ended 31 March 2021 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 2021:

- 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 2021. 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: 4 September 2021

# ANNUAL FINANCIAL REPORT

NGO: HONG KONG REHABILITATION POWER

(1 April, 2020 TO 31 March, 2021)

	Notes	2020-21 HK\$	2019-20 HK\$
<b>A. INCOME</b>			
1. Lump sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	5,168,428	5,128,004
b. Provident Fund	1c	243,585	243,596
2. Fee Income	2	-	-
3. Central Items	3	-	-
4. Rent and Rates	4	67,224	66,985
5. Other Income	5	-	-
6. Interest Received		20	1,359
<b>TOTAL INCOME</b>		<u>5,479,257</u>	<u>5,439,944</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		4,353,818	4,087,836
b. Provident Fund	1c	205,840	184,930
c. Allowances		10,511	8,326
Sub-total	6	<u>4,570,169</u>	<u>4,281,092</u>
2. Other Charges	7	761,408	558,795
3. Central Items	3	10,000	3,000
4. Rent and Rates	4	61,034	66,284
<b>TOTAL EXPENDITURE</b>		<u>5,402,611</u>	<u>4,909,171</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>76,646</u>	<u>530,773</u>

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: 4 September 2021

HONG KONG REHABILITATION POWER  
EXECUTIVE DIRECTOR



CHIU LAP KEE

DATE: 4 September 2021

## 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 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	-	243,585	243,585
Provident Fund Contribution Paid during the Year	-	(205,840)	(205,840)
Surplus/ (Deficit) for the Year	-	37,745	37,745
<b>Add:</b> Surplus/ (Deficit) b/f	-	481,664	481,664
Additional subvention received for previous years(s)			
<b>Add:</b> 2018-19 PF of Supervisory Supporting Staff not claimed	-	(1,895)	(1,895)
<b>Less:</b> Refund to Government			
<b>Surplus/ (Deficit) c/f</b>	<u>-</u>	<u>517,514</u>	<u>517,514</u>

**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

	2020-21 HK\$	2019-20 HK\$
<b><u>a. Income</u></b>		
Regularized Programme Assistants / Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	-	-
	-	-
<b><u>b. Expenditure</u></b>		
Regularized Programme Assistants / Care Assistants	-	-
Financial Incentive Scheme for Mentors of Employees with Disabilities	10,000	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:

	2020-21 HK\$	2019-20 HK\$
<b><u>Other Income</u></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:

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>	2020-21 HK\$	2019-20 HK\$
(a) Utilities	8,897	18,401
(b) Food	-	-
(c) Administrative Expenses	223,607	166,037
(d) Stores and Equipment	54,207	52,542
(e) Repair and Maintenance	15,919	35,402
(f) Special Allowances	256,181	244,752
(g) Programme Expenses	160,397	5,882
(h) Transportation and Travelling	3,696	6,606
(i) Insurance	36,909	28,397
(j) Miscellaneous	1,595	776
<b>Total</b>	<b>761,408</b>	<b>558,795</b>

**NOTES ON THE ANNUAL FINANCIAL REPORT**

**8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (Year 2020-21)**

	Analysis of Reserve Fund			
	Lump Sum Grant (LSG)	Rent and Rates	Central Items (CI)	Total
	HK\$	HK\$	HK\$	HK\$
<b>Income</b>				
Lump Sum Grant	5,412,013	-	-	5,412,013
Fee Income	-	-	-	-
Other Income	-	-	-	-
Interest Received (Note(1))	20	-	-	20
Rent and Rates	-	67,224	-	67,224
Central Items	-	-	-	-
<b>Total Income (a)</b>	<b>5,412,033</b>	<b>67,224</b>	<b>-</b>	<b>5,479,257</b>
<b>Expenditure</b>				
Personal Emoluments	4,570,169	-	-	4,570,169
Other Charges	761,408	-	-	761,408
Rent and Rates	-	61,034	-	61,034
Central Items	-	-	10,000	10,000
<b>Total Expenditure (b)</b>	<b>5,331,577</b>	<b>61,034</b>	<b>10,000</b>	<b>5,402,611</b>
<b>Surplus / (Deficit) for the Year (a) - (b)</b>	<b>80,456</b>	<b>6,190</b>	<b>(10,000)</b>	<b>76,646</b>
Less: Surplus / (Deficit) of Provident Fund	37,745	-	-	37,745
	42,711	6,190	(10,000)	38,901
<b>Surplus/(Deficit) b/f (Note(2))</b>	<b>1,260,199</b>	<b>701</b>	<b>111,000</b>	<b>1,371,900</b>
	1,302,910	6,891	101,000	1,410,801
Less: Refund to Government - 2019-20 Rates	-	(701)	-	(701)
Less: Refund to Government - 2019-20 Clawback	(96,460)	-	-	(96,460)
Add: Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note (3))	-	-	-	-
Less: Capital Expenditure from LSG Reserve :-				
- Equipment for making promotion films for training and employment purposes	(45,967)	-	-	(45,967)
- Small renovation work at Room 103 of Yiu Tung Unit	(23,100)	-	-	(23,100)
<b>Surplus/(Deficit) c/f before Adjustments</b>	<b>1,137,383</b>	<b>6,190</b>	<b>101,000</b>	<b>1,244,573</b>
<b>Adjustments:-</b>				
2019-20 Non-Cash Staff Travelling	312	-	-	312
2018-19 Salary of Supervisory Supporting Staff not claimed	(37,899)	-	-	(37,899)
2017-18 Printer Maintenance not claimed	(4,678)	-	-	(4,678)
<b>Surplus / (Deficit) c/f (Note (4))</b>	<b>1,095,118</b>	<b>6,190</b>	<b>101,000</b>	<b>1,202,308</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 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.





**Schedule for Rent and Rates**  
**Analysis of Subvention and Expenditure for the period from 1 April 2020 to 31 March 2021**

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 103-104, G/F. Annex Block Yiu Wah House Yiu Tung Estate Hong Kong	Rent (Note 3)	60,534	60,534	-	-
	Rates	6,690	500	6,190	-
	<b>Total</b>	<b>67,224</b>	<b>61,034</b>	<b>6,190</b>	<b>-</b>
A002 - xxxxxxxxxxxxxxx	Rent				
	Rates				
<b>Total</b>					
A003 - xxxxxxxxxxxxxxx	Rent				
	Rates				
<b>Total</b>					
A004 - xxxxxxxxxxxxxxx	Rent				
	Rates				
<b>Total</b>					
<b>Grand Total</b>		<b>67,224</b>	<b>61,034</b>	<b>6,190</b>	<b>-</b>

**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 Mar 2021**  
**Agency: HONG KONG REHABILITATION POWER**

**Balance as at 31 March 2021**

	Under LSG Subvention System				Under LF	Total
	#LSG Reserve	PF Reserve	Central Item	Rent & Rates	*SWDF	
Amount (HK\$'000)	1,095,118	517,514	101,000	6,190	317,231	2,037,053

**Represented by:**

	Under LSG Subvention System				Under LF	Total
	LSG Reserve	PF Reserve	Central Item	Rent & Rates	SWDF	
Amount (HK\$'000)						
(a) HKD Bank Account Balances	1,095,118	517,514	101,000	6,190	317,231	2,037,053
(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\$15,000) 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 2021 regarding SWDF for details.

**Bank and cash balances of the organisation as a whole as at 31 March 2021:**

HK\$ 3,858,224

## 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: 4 September 2021

  
CHIU LAP KEE

DATE: 4 September 2021

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: 4 September 2021

## 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 2021**

**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>		Nil	Nil					

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