

ANNUAL FINANCIAL REPORT

NGO: HONG KONG REHABILITATION POWER

(1 April 2022 to 31 March 2023)

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

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)
Surplus c/f	-	436,250	436,250

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\$
<u>a. Income</u>		
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
	-	-
<u>b. Expenditure</u>		
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\$
<u>Other Income</u>	-	-
	-	-

- 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>	2022-23 HK\$	2021-22 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
Total	561,510	907,370

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\$
Income				
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	-	-	-	-
Total Income (a)	5,475,837	70,302	-	5,546,139
Expenditure				
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
Total Expenditure (b)	5,659,965	66,262	1,500	5,727,727
Surplus / (Deficit) for the Year (a) - (b)	(184,128)	4,040	(1,500)	(181,588)
Less: Surplus / (Deficit) of Provident Fund	(33,898)	-	-	(33,898)
Surplus/(Deficit) b/f (Note(2))	1,047,459	4,040	98,000	1,149,499
Less: Refund to Government - 2021-22 Rates	-	(4,040)	-	(4,040)
Add: Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note (3))	-	-	-	-
Surplus / (Deficit) c/f (Note (4))	829,433	4,040	96,500	929,973

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.