

The financial information of Annual Financial Report (AFR) presented here is not the statutory financial statements of the Society for that year. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

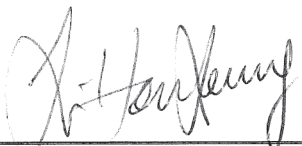
The Society would present the statutory financial statements of the Society to the Registrar of Companies as required by section 662(3) of, and part 3 of Schedule 6 to, the Companies Ordinance.

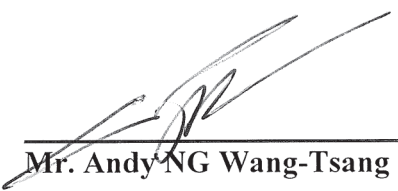
The Society's auditor has reported on those statutory financial statements. The auditor's report was neither qualified nor modified; did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report; and did not contain a statement under section 406(2) of (3) of the Companies Ordinance.

**ANNUAL FINANCIAL REPORT**  
**NGO : THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG**  
**1 APRIL 2017 TO 31 MARCH 2018**

	Notes	<u>2017-18</u> \$	<u>2016-17</u> \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	108,222,057	103,198,618
b. Provident Fund	1c	9,830,325	9,997,680
2. Special One-off Grant		-	-
3. Fee Income	2	1,679,172	1,892,113
4. Central Items	3	2,664,996	2,596,380
5. Rent and Rates	4	3,988,641	3,165,555
6. Other Income	5	1,027,530	1,241,813
7. Interest Received		114,757	99,623
<b>TOTAL INCOME</b>		<u>127,527,478</u>	<u>122,191,782</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		96,228,931	93,084,907
b. Provident Fund	1c	9,072,293	8,514,496
c. Allowances		100,337	92,720
	6	105,401,561	101,692,123
2. Other Charges	7	14,547,428	13,752,463
3. Central Items	3	2,380,007	1,562,036
4. Rent and Rates	4	3,735,508	3,675,170
5. Special One-off Grant Payments	7a	-	-
<b>TOTAL EXPENDITURE</b>		<u>126,064,504</u>	<u>120,681,792</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>1,462,974</u>	<u>1,509,990</u>

The Annual Financial Report from pages 1 to 5 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

  
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**The Hon Mr. Justice Patrick Li**  
 Chairperson  
 Date: 23 October, 2018

  
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**Mr. Andy NG Wang-Tsang**  
 Chief Executive  
 Date: 23 October, 2018

THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG

NOTES ON THE ANNUAL FINANCIAL REPORT

1 APRIL 2017 TO 31 MARCH 2018

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 Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	4,626,295	5,204,030	9,830,325
Provident Fund Contribution			
Paid during the Year	<u>(4,311,182)</u>	<u>(4,761,111)</u>	<u>(9,072,293)</u>
Surplus for the Year	315,113	442,919	758,032
Add: Surplus b/f	1,813,495	11,501,730	13,315,225
Less: 14/15 Surplus Refund to Government Adjustment	(769,395)	-	(769,395)
Less: 15/16 Surplus Refund to Government	(596,903)	-	(596,903)
Add: Additional PF for 6.8% for 2015/16 arising from departure of Snapshot	-	186,488	186,488
Less: Adjustment per SWD letter dated 26 Oct 2016	<u>-</u>	<u>(144,224)</u>	<u>(144,224)</u>
Surplus c/f	<u>762,310</u>	<u>11,986,913</u>	<u>12,749,223</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 Agency. The PF 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:

	<u>2017-18</u>	<u>2016-17</u>
	\$	\$
a. <u>Income</u>		
Short-term Rental Assistance to Newly Discharged Prisoners	1,110,000	1,110,000
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	1,284,996	1,216,380
Training sponsorship scheme for MOT/MPT Programme	<u>270,000</u>	<u>270,000</u>
<b>Total</b>	<u>2,664,996</u>	<u>2,596,380</u>
b. <u>Expenditure</u>		
Short-term Rental Assistance to Newly Discharged Prisoners	1,069,632	999,380
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	<u>1,310,375</u>	<u>562,656</u>
<b>Total</b>	<u>2,380,007</u>	<u>1,562,036</u>

**THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG**  
**NOTES ON THE ANNUAL FINANCIAL REPORT**  
**1 APRIL 2017 TO 31 MARCH 2018**

**4. Rent and 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 :

<b>Other Income</b>	<b>2017-18</b>	<b>2016-17</b>
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	1,027,530	1,241,813
(b) Others	-	-
	<u>1,027,530</u>	<u>1,241,813</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:

<b>Analysis of Personal Emoluments</b>	<b>No. of Posts</b>	<b>\$</b>
HK\$700,001 - HK\$ 800,000 p.a.	4	2,865,714
HK\$800,001 - HK\$ 900,000 p.a.	3	2,544,001
HK\$900,001 - HK\$1,000,000 p.a.	14	12,953,936
HK\$1,000,001 - HK\$1,100,000 p.a.	5	5,330,276
HK\$1,100,001 - HK\$1,200,000 p.a.	2	2,278,029
>HK\$1,200,000 p.a.	2	3,065,258

**7. Other Charges**

The breakdown on Other Charges is as follows:

<b>Other Charges</b>	<b>2017-18</b>	<b>2016-17</b>
	\$	\$
(a) Utilities	1,494,507	1,520,551
(b) Food	2,884,060	3,044,595
(c) Administrative Expenses	793,727	819,586
(d) Stores and Equipment	1,810,746	1,835,218
(e) Repair and Maintenance	1,479,752	871,873
(f) Special Allowances	-	-
(g) Programme Expenses	4,327,214	4,013,045
(h) Transportation and Travelling	570,124	500,164
(i) Insurance	664,310	560,093
(j) Miscellaneous	522,988	587,338
<b>Total</b>	<u>14,547,428</u>	<u>13,752,463</u>

**7a. Special One-off Grant Payments**

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

<b>Special one-off Grant Payments</b>	<b>2017-18</b>	<b>2016-17</b>
	\$	\$
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG**  
**NOTES ON THE ANNUAL FINANCIAL REPORT**  
**1 APRIL 2017 TO 31 MARCH 2018**

**8. Analysis of Reserve Fund**

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
<b>Income</b>					
Lump Sum Grant	118,052,382	-	-	-	118,052,382
Special One-off Grant	-	-	-	-	-
Fee Income	1,679,172	-	-	-	1,679,172
Other Income	1,027,530	-	-	-	1,027,530
Interest Received (Note (1))	114,757	-	-	-	114,757
Rent and Rates	-	-	3,988,641	-	3,988,641
Central Items	-	-	-	2,664,996	2,664,996
<b>Total Income (a)</b>	<b>120,873,841</b>	<b>-</b>	<b>3,988,641</b>	<b>2,664,996</b>	<b>127,527,478</b>
<b>Expenditure</b>					
Personal Emoluments	105,401,561	-	-	-	105,401,561
Other Charges	14,547,428	-	-	-	14,547,428
Rent and Rates	-	-	3,735,508	-	3,735,508
Central Items	-	-	-	2,380,007	2,380,007
Special One-off Grant Payments	-	-	-	-	-
<b>Total Expenditure (b)</b>	<b>119,948,989</b>	<b>-</b>	<b>3,735,508</b>	<b>2,380,007</b>	<b>126,064,504</b>
<b>Surplus/(Deficit) for the Year (a)-(b)</b>	924,852	-	253,133	284,989	1,462,974
Less : Surplus of Provident Fund	(758,032)	-	-	-	(758,032)
	<b>166,820</b>	<b>-</b>	<b>253,133</b>	<b>284,989</b>	<b>704,942</b>
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>33,108,697</b>	<b>(210,256)</b>	<b>(2,514,121)</b>	<b>2,587,590</b>	<b>32,971,910</b>
Less : Refund to Government	-	-	(214,573)	(1,294,762)	(1,509,335)
Adjustment per SWD letter dated 26 Oct 2016	369,942	210,256	(263,107)	88,418	405,509
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>33,645,459</b>	<b>-</b>	<b>(2,738,668)</b>	<b>1,666,235</b>	<b>32,573,026</b>

**Notes :**

- (1) Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant 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 should be 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 for Central Items.
- (4) The level of LSG cumulative reserve (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's **operating expenditure** (excluding Provident Fund expenditure) for the year.