

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:

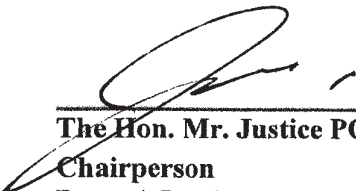
The Society would present the statutory financial statements of the Society to the Registrar of Companies as required by section 662(3) of, and part 3 of Schedule 6 to, the Companies Ordinance.

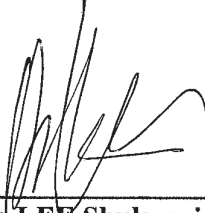
The Society's auditor has reported on those statutory financial statements. The auditor's report was neither qualified nor modified; did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report; and did not contain a statement under section 406(2) of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

**ANNUAL FINANCIAL REPORT**  
**NGO : THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG**  
**1 APRIL 2022 TO 31 MARCH 2023**

	Notes	<u>2022-23</u> \$	<u>2021-22</u> \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	130,666,625	128,929,922
b. Provident Fund	1c	10,466,750	10,499,013
2. Fee Income	2	1,784,343	1,863,074
3. Central Items	3	3,805,919	4,596,600
4. Rent and Rates	4	3,736,636	4,069,312
5. Other Income	5	1,781,848	436,283
6. Interest Received		555,192	48,437
<b>TOTAL INCOME</b>		<u>152,797,313</u>	<u>150,442,641</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		116,763,510	115,932,651
b. Provident Fund	1c	10,148,613	10,185,121
c. Allowances		884,496	449,397
	6	<u>127,796,619</u>	<u>126,567,169</u>
2. Other Charges	7	16,983,970	14,982,653
3. Central Items	3	3,191,358	3,390,040
4. Rent and Rates	4	4,208,158	3,816,598
<b>TOTAL EXPENDITURE</b>		<u>152,180,105</u>	<u>148,756,460</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>617,208</u>	<u>1,686,181</u>

The Annual Financial Report from pages 3 to 6 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

  
 \_\_\_\_\_  
 The Hon. Mr. Justice POON Siu-tung  
 Chairperson  
 Date: 4 October, 2023

  
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 Ms. Anthea LEE Shuk-wai  
 Chief Executive  
 Date: 4 October, 2023

THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG

NOTES ON THE ANNUAL FINANCIAL REPORT

1 APRIL 2022 TO 31 MARCH 2023

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) services (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 Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	3,400,949	7,065,801	10,466,750
Provident Fund Contribution			
Paid during the Year	<u>(2,707,884)</u>	<u>(7,440,729)</u>	<u>(10,148,613)</u>
Surplus/ (Deficit) for the Year	693,065	(374,928)	318,137
Add: Surplus b/f	607,672	13,825,682	14,433,354
Less: Surplus of 2020/21 refund to government	(269,184)	-	(269,184)
Add: Additional PF for 6.8% post for 2020/21 arising from departure of Snapshot staff	-	90,670	90,670
Adjustment per SWD letter dated 5 May 2023	<u>1,809</u>	<u>220</u>	<u>2,029</u>
Surplus c/f	<u>1,033,362</u>	<u>13,541,644</u>	<u>14,575,006</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 subsidies allocated to NGOs for specified 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 claw-back 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:

	<u>2022-23</u>	<u>2021-22</u>
	\$	\$
a. <u>Income</u>		
Short-term Rental Assistance to Newly Discharged Prisoners	1,600,000	1,600,000
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	1,373,616	1,403,652
Visiting Medical Practitioner Scheme	-	780,000
Time-defined Allocation of Ethnic Minority District Ambassdaor (EMDA) Posts	<u>832,303</u>	<u>812,948</u>
<b>Total</b>	<u>3,805,919</u>	<u>4,596,600</u>

	<u>2022-23</u>	<u>2021-22</u>
	\$	\$
b. <u>Expenditure</u>		
Visiting Medical Practitioner Scheme	7,500	-
Short-term Rental Assistance to Newly Discharged Prisoners	1,370,721	1,510,307
Financial Incentive Scheme for Mentors of Employees with Disabilities	18,500	17,080
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	1,106,935	1,135,966
Training sponsorship scheme for MOT/MPT Programme	-	-
Time-defined Allocation of Ethnic Minority District Ambassdaor (EMDA) Posts	<u>687,702</u>	<u>726,687</u>
<b>Total</b>	<u>3,191,358</u>	<u>3,390,040</u>

**THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG**  
**NOTES ON THE ANNUAL FINANCIAL REPORT**  
**1 APRIL 2022 TO 31 MARCH 2023**

**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 need not be included as Other Income in AFR. In this respect, donations have been included if it is used to finance expenditure of the FSA services/ FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

	<u>2022-23</u>	<u>2021-22</u>
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	1,689,627	386,108
(b) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	92,221	50,175
	<u>1,781,848</u>	<u>436,283</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 paid under LSG</b>	<u>No of Posts</u>	<u>\$</u>
HK\$700,001 - HK\$800,000 p.a.	14	10,610,781
HK\$800,001 - HK\$900,000 p.a.	9	7,568,037
HK\$900,001 - HK\$1,000,000 p.a.	4	3,814,031
HK\$1,000,001 - HK\$1,100,000 p.a.	7	7,274,007
HK\$1,100,001 - HK\$1,200,000 p.a.	1	1,193,789
>HK\$1,200,000 p.a.	6	8,242,876

**7. Other Charges**

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2022-23</u>	<u>2021-22</u>
	\$	\$
(a) Utilities	1,708,532	1,677,755
(b) Food	3,047,400	3,109,806
(c) Administrative Expenses	1,104,060	1,020,933
(d) Stores and Equipment	3,357,357	2,543,000
(e) Repair and Maintenance	1,882,472	1,199,594
(f) Programme Expenses	3,431,676	2,707,056
(g) Transportation and Travelling	550,135	380,362
(h) Insurance	1,033,393	1,704,385
(i) Miscellaneous	868,945	639,762
<b>Total</b>	<u>16,983,970</u>	<u>14,982,653</u>

THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG  
NOTES ON THE ANNUAL FINANCIAL REPORT  
1 APRIL 2022 TO 31 MARCH 2023

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG)	Holding Account (HA)	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS	Rent and Rates	Central Items (CI)	Total
	\$	\$	\$	\$	\$	\$
<b>Income</b>						
Lump Sum Grant	141,133,375	-	-	-	-	141,133,375
Fee Income	1,784,343	-	-	-	-	1,784,343
Other Income	1,781,848	-	-	-	-	1,781,848
Interest Received (Note (1))	555,192	-	-	-	-	555,192
Rent and Rates	-	-	-	3,736,636	-	3,736,636
Central Items	-	-	-	-	3,805,919	3,805,919
<b>Total Income (a)</b>	<b>145,254,758</b>	<b>-</b>	<b>-</b>	<b>3,736,636</b>	<b>3,805,919</b>	<b>152,797,313</b>
<b>Expenditure</b>						
Personal Emoluments	127,796,619	-	-	-	-	127,796,619
Other Charges	16,983,970	-	-	-	-	16,983,970
Rent and Rates	-	-	-	4,208,158	-	4,208,158
Central Items	-	-	-	-	3,191,358	3,191,358
<b>Total Expenditure (b)</b>	<b>144,780,589</b>	<b>-</b>	<b>-</b>	<b>4,208,158</b>	<b>3,191,358</b>	<b>152,180,105</b>
<b>Surplus/(Deficit) for the Year (a)-(b)</b>	<b>474,169</b>	<b>-</b>	<b>-</b>	<b>(471,522)</b>	<b>614,561</b>	<b>617,208</b>
Less : Surplus of Provident Fund	(318,137)	-	-	-	-	(318,137)
	<b>156,032</b>	<b>-</b>	<b>-</b>	<b>(471,522)</b>	<b>614,561</b>	<b>299,071</b>
<b>Surplus/(Deficit) b/f (Note (2))</b>	<b>23,152,519</b>	<b>17,787,912</b>	<b>-</b>	<b>(1,720,832)</b>	<b>1,959,367</b>	<b>41,178,966</b>
Refund to Government	-	-	-	(418,982)	(1,040,186)	(1,459,168)
Adjustment per SWD Letter dated 5 May 2023	16,311	-	-	1	-	16,312
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>23,324,862</b>	<b>17,787,912</b>	<b>-</b>	<b>(2,611,335)</b>	<b>1,533,742</b>	<b>40,035,181</b>

**Notes :**

- # No items being the utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS\*
- \* For those programmes which are regarded as FSA services/ FSA-related activities only
- (1) Interest received on LSG (including HA) 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 LSG Surplus b/f from previous years (including all interest received in previous years (see (1) above) and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.
- (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) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.
- For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:
- (i) With Snapshot Staff (SS) i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater than zero  
The level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total expenditure (T1 + T2) excluding Provident Fund Contribution (K)) for the year.
- (ii) Without SS i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero  
For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1) excluding Provident Fund Contribution (K)) for the year.  
From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount (i.e. S1+S2) will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure (T1+T2) excluding Provident Fund Contribution (K)) for the year.  
In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.
- For (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.
- For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year) accordingly.