

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.

**THE SOCIETY OF REHABILITATION AND  
CRIME PREVENTION, HONG KONG**  
香港善導會

**THE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH, 2024**

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范陳會計師行有限公司  
Fan, Chan & Co. Limited

**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE ANNUAL FINANCIAL REPORT  
TO THE MEMBERS OF EXECUTIVE COMMITTEE OF  
THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG**  
(Incorporated in Hong Kong and limited by guarantee)

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We have audited the financial statements of The Society of Rehabilitation and Crime Prevention ("the Agency") for the year ended 31 March, 2024 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have issued an unmodified auditor's report thereon dated 4 October, 2024.

Pursuant to the Lump Sum Grant ("LSG") Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), we have been requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the Agency for the year ended 31 March, 2024.

*Responsibilities of the Members of Executive Committee*

In relation to this report, the Members of Executive Committee are responsible for ensuring the AFR of the Agency for the year ended 31 March, 2024 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD; and the use of the funds from the LSG by the Agency has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

*Our Independence and Quality Management*

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Auditor's Responsibility*

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 851 (Revised), *Reporting on the Annual Financial Reports of Non-governmental Organisations* issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.



范陳會計師行有限公司  
Fan, Chan & Co. Limited

**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE ANNUAL FINANCIAL REPORT  
TO THE MEMBERS OF EXECUTIVE COMMITTEE OF  
THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG**  
(Incorporated in Hong Kong and limited by guarantee)

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In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the Agency being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relating to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

*Conclusions*

1. In our opinion, the AFR of the Agency for the year ended 31 March, 2024 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.
2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the LSG by the Agency has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

*Intended Users and Purpose*

This report is intended solely for submission by the Agency to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.

*Fan, Chan & Co.*

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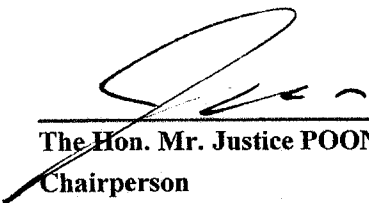
Fan, Chan & Co. Limited  
Certified Public Accountants  
Leung Kwong Kin  
Practising Certificate Number: P03702

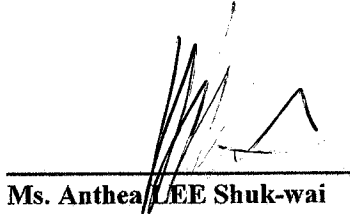
Hong Kong, 4 October, 2024

**ANNUAL FINANCIAL REPORT**  
**NGO : THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG**  
**1 APRIL 2023 TO 31 MARCH 2024**

	Notes	<u>2023-24</u> \$	<u>2022-23</u> \$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	137,379,475	130,666,625
b. Provident Fund	1c	10,360,610	10,466,750
2. Fee Income	2	1,873,418	1,784,343
3. Central Items	3	3,509,208	3,805,919
4. Rent and Rates	4	3,694,201	3,736,636
5. Other Income	5	1,341,348	1,781,848
6. Interest Received		1,614,234	555,192
<b>TOTAL INCOME</b>		<u>159,772,494</u>	<u>152,797,313</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments			
a. Salaries		124,049,931	116,763,510
b. Provident Fund	1c	10,240,300	10,148,613
c. Allowances		3,281,896	884,496
Subtotal	6	<u>137,572,127</u>	<u>127,796,619</u>
2. Other Charges	7	17,978,754	16,983,970
3. Central Items	3	3,557,911	3,191,358
4. Rent and Rates	4	4,416,493	4,208,158
<b>TOTAL EXPENDITURE</b>		<u>163,525,285</u>	<u>152,180,105</u>
<b>C. SURPLUS/(DEFICIT) FOR THE YEAR</b>	8	<u>(3,752,791)</u>	<u>617,208</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.

  
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 The Hon. Mr. Justice POON Siu-tung  
 Chairperson  
 Date: 4 October, 2024

  
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 Ms. Anthea LEE Shuk-wai  
 Chief Executive  
 Date: 4 October, 2024

THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG

NOTES ON THE ANNUAL FINANCIAL REPORT

1 APRIL 2023 TO 31 MARCH 2024

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 disclosures 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	2,663,809	7,696,801	10,360,610
Provident Fund Contribution			
Paid during the Year	<u>(2,610,501)</u>	<u>(7,629,799)</u>	<u>(10,240,300)</u>
Surplus/ (Deficit) for the Year	53,308	67,002	120,310
Add: Surplus b/f	1,033,362	13,541,644	14,575,006
Less: Surplus of 2021/22 refund to government	(338,488)	-	(338,488)
Add: Additional PF for 6.8% post for 2021/22 or before arising from departure of Snapshot staff	<u>-</u>	<u>114,551</u>	<u>114,551</u>
Surplus c/f	<u>748,182</u>	<u>13,723,197</u>	<u>14,471,379</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:

	<u>2023-24</u>	<u>2022-23</u>
	\$	\$
a. <b>Income</b>		
Short-term Rental Assistance to Newly Discharged Prisoners	1,584,000	1,600,000
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	1,489,536	1,373,616
Visiting Medical Practitioner Scheme	-	-
Time-defined Allocation of Ethnic Minority District Ambassaador (EMDA) Posts	<u>435,672</u>	<u>832,303</u>
<b>Total</b>	<u>3,509,208</u>	<u>3,805,919</u>

	<u>2023-24</u>	<u>2022-23</u>
	\$	\$
b. <b>Expenditure</b>		
Visiting Medical Practitioner Scheme	-	7,500
Short-term Rental Assistance to Newly Discharged Prisoners	1,663,689	1,370,721
Financial Incentive Scheme for Mentors of Employees with Disabilities	11,000	18,500
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	1,138,253	1,106,935
Training sponsorship scheme for MOT/MPT Programme		
Time-defined Allocation of Ethnic Minority District Ambassaador (EMDA) Posts	<u>744,969</u>	<u>687,702</u>
<b>Total</b>	<u>3,557,911</u>	<u>3,191,358</u>

THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG

NOTES ON THE ANNUAL FINANCIAL REPORT

1 APRIL 2023 TO 31 MARCH 2024

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>2023-24</u>	<u>2022-23</u>
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	1,168,457	1,689,627
(b) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	172,891	92,221
	<u>1,341,348</u>	<u>1,781,848</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.	16	12,205,354
HK\$800,001 - HK\$900,000 p.a.	5	4,236,629
HK\$900,001 - HK\$1,000,000 p.a.	3	2,778,812
HK\$1,000,001 - HK\$1,100,000 p.a.	13	13,862,551
HK\$1,100,001 - HK\$1,200,000 p.a.	1	1,156,378
>HK\$1,200,000 p.a.	5	7,420,641

7. Other Charges

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2023-24</u>	<u>2022-23</u>
	\$	\$
(a) Utilities	1,876,388	1,708,532
(b) Food	3,075,198	3,047,400
(c) Administrative Expenses	1,100,411	1,104,060
(d) Stores and Equipment	3,069,967	3,357,357
(e) Repair and Maintenance	1,842,082	1,882,472
(f) Programme Expenses	4,472,701	3,431,676
(g) Transportation and Travelling	562,765	550,135
(h) Insurance	1,033,638	1,033,393
(i) Miscellaneous	945,605	868,945
<b>Total</b>	<u>17,978,754</u>	<u>16,983,970</u>

**THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG**  
**NOTES ON THE ANNUAL FINANCIAL REPORT**  
**1 APRIL 2023 TO 31 MARCH 2024**

**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	147,740,085	-	-	-	-	147,740,085
Fee Income	1,873,418	-	-	-	-	1,873,418
Other Income	1,341,348	-	-	-	-	1,341,348
Interest Received (Note (1))	1,614,234	-	-	-	-	1,614,234
Rent and Rates	-	-	-	3,694,201	-	3,694,201
Central Items	-	-	-	-	3,509,208	3,509,208
<b>Total Income (a)</b>	<b>152,569,085</b>	<b>-</b>	<b>-</b>	<b>3,694,201</b>	<b>3,509,208</b>	<b>159,772,494</b>
<b>Expenditure</b>						
Personal Emoluments	137,572,127	-	-	-	-	137,572,127
Other Charges	17,978,754	-	-	-	-	17,978,754
Rent and Rates	-	-	-	4,416,493	-	4,416,493
Central Items	-	-	-	-	3,557,911	3,557,911
<b>Total Expenditure (b)</b>	<b>155,550,881</b>	<b>-</b>	<b>-</b>	<b>4,416,493</b>	<b>3,557,911</b>	<b>163,525,285</b>
<b>Surplus/(Deficit) for the Year (a)-(b)</b>	<b>(2,981,796)</b>	<b>-</b>	<b>-</b>	<b>(722,292)</b>	<b>(48,703)</b>	<b>(3,752,791)</b>
Less : Surplus of Provident Fund	(120,310)	-	-	-	-	(120,310)
	<b>(3,102,106)</b>	<b>-</b>	<b>-</b>	<b>(722,292)</b>	<b>(48,703)</b>	<b>(3,873,101)</b>
<b>Surplus/(Deficit) b/f (Note (2))</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>
Less : Refund to Government	-	-	-	(256,488)	(266,680)	(523,168)
Refund / Additional from SWD						
Adjustment per SWD Letter dated 27 April 2023	(38,000)	-	-	-	-	(38,000)
Adjustment per SWD Letter dated 6 September 2023	(200,350)	-	-	-	-	(200,350)
Adjustment per SWD Letter dated 18 May 2023	-	-	-	183,994	-	183,994
<b>Surplus/(Deficit) c/f (Note (4))</b>	<b>19,984,406</b>	<b>17,787,912</b>	<b>-</b>	<b>(3,406,121)</b>	<b>1,218,359</b>	<b>35,584,556</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 2023-23, 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 details of (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 except for those 58 NGOs which are subject to Productivity Enhancement Programme as stipulated in SWD's letter under reference (9) in SWD/S/133/1 of 6 March 2024. For the details of the claw-back arrangement of the said 58 NGOs, please refer to the above letter.) accordingly.