

The financial information of Annual Financial Report (AFR) presented here is not the statutory financial statements of The Society of Rehabilitation and Crime Prevention, Hong Kong (“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 2016 TO 31 MARCH 2017


	Notes	<u>2016-17</u> \$	<u>2015-16</u> \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	103,198,618	98,068,019
b. Provident Fund	1c	9,997,680	9,587,362
2. Special One-off Grant		-	-
3. Fee Income	2	1,892,113	1,883,854
4. Central Items	3	2,596,380	2,318,568
5. Rent and Rates	4	3,165,555	2,756,822
6. Other Income	5	1,241,813	894,326
7. Interest Received		99,623	110,004
TOTAL INCOME		<u>122,191,782</u>	<u>115,618,955</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		93,084,907	88,056,179
b. Provident Fund	1c	8,514,496	8,209,293
c. Allowances		92,720	60,618
Subtotal	6	<u>101,692,123</u>	<u>96,326,090</u>
2. Other Charges	7	13,752,463	12,565,001
3. Central Items	3	1,562,036	1,414,605
4. Rent and Rates	4	3,675,170	3,630,018
5. Special One-off Grant Payments	7a	-	-
TOTAL EXPENDITURE		<u>120,681,792</u>	<u>113,935,714</u>
C. SURPLUS FOR THE YEAR	8	<u>1,509,990</u>	<u>1,683,241</u>

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

SIGNATURE



CHAIRPERSON
DATE : 24 October, 2017



CHIEF EXECUTIVE
DATE : 24 October, 2017

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

a. Basis of preparation

The Annual Financial Report (AFR) is prepared in respect of all Funding **on cash basis**, 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** like 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.

Please note that the PF received and contributed for staff under the Central Items have been shown under **3**.

Details are analysed below:

	Snapshot Staff	6.8% and Other Posts	Total
<u>Provident Fund Contribution</u>	\$	\$	\$
Subvention Received	4,899,889	5,097,791	9,997,680
Provident Fund Contribution			
Paid during the Year	(4,451,278)	(4,063,218)	(8,514,496)
Surplus for the Year	448,611	1,034,573	1,483,184
Add: Surplus b/f	1,364,885	10,467,157	11,832,042
Surplus c/f	<u>1,813,496</u>	<u>11,501,730</u>	<u>13,315,226</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 Lump Sum Grant 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 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 LSG Manual (October 2016)). The income and expenditure of each of the Central Items are as follows:

	<u>2016-17</u>	<u>2015-16</u>
a. <u>Income</u>	\$	\$
Short-term Rental Assistance to Newly Discharged Prisoners	1,110,000	1,110,000
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	-
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	1,216,380	1,208,568
Training sponsorship scheme for MOT/MPT Programme	270,000	-
Total	<u>2,596,380</u>	<u>2,318,568</u>
	<u>2016-17</u>	<u>2015-16</u>
b. <u>Expenditure</u>	\$	\$
Short-term Rental Assistance to Newly Discharged Prisoners	999,380	839,075
Financial Incentive Scheme for Mentors of Employees with Disabilities	-	8,000
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	562,656	567,530
Total	<u>1,562,036</u>	<u>1,414,605</u>

NOTES ON THE ANNUAL FINANCIAL REPORT

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 :

Other Income	2016-17 HK\$	2015-16 HK\$
(a) Fees and charges for services incidental to the operation of subvented services	1,241,813	894,326
(b) Others	-	-
	1,241,813	894,326

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:

<u>Analysis of Personal Emoluments</u>	<u>No. of Posts</u>	<u>\$</u>
HK\$700,001 - HK\$ 800,000 p.a.	4	3,065,767
HK\$800,001 - HK\$ 900,000 p.a.	15	13,332,791
HK\$900,001 - HK\$1,000,000 p.a.	2	1,887,812
HK\$1,000,001 - HK\$1,100,000 p.a.	4	4,033,952
HK\$1,100,001 - HK\$1,200,000 p.a.	2	2,235,381
>HK\$1,200,000 p.a.	2	2,904,824

7. **Other Charges**

The breakdown on Other Charges is as follows:

<u>Other Charges</u>	<u>2016-17</u> <u>\$</u>	<u>2015-16</u> <u>\$</u>
(a) Utilities	1,520,551	1,504,997
(b) Food	3,044,595	2,813,798
(c) Administrative Expenses	819,586	797,718
(d) Stores and Equipment	1,835,218	1,523,277
(e) Repair and Maintenance	871,873	1,137,046
(f) Special Allowances	-	-
(g) Programme Expenses	4,013,045	3,165,509
(h) Transportation and Travelling	500,164	506,402
(i) Insurance	560,093	615,784
(j) Miscellaneous	587,338	500,470
Total	13,752,463	12,565,001

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

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

Special one-off Grant Payments	<u>2016-17</u> <u>\$</u>	<u>2015-16</u> <u>\$</u>
(a) Voluntary Retirement Scheme	-	-
(b) Compensation Scheme	-	-
(c) Staff Training and Development	-	-
(d) Other Staff-related Initiatives	-	-
Total	-	-

NOTES ON THE ANNUAL FINANCIAL REPORT

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	113,196,298	-	-	-	113,196,298
Special One-off Grant	-	-	-	-	-
Fee Income	1,892,113	-	-	-	1,892,113
Other Income	1,241,813	-	-	-	1,241,813
Interest Received (Note (1))	99,623	-	-	-	99,623
Rent and Rates	-	-	3,165,555	-	3,165,555
Central Items	-	-	-	2,596,380	2,596,380
Total Income (a)	116,429,847	-	3,165,555	2,596,380	122,191,782
Expenditure					
Personal Emoluments	101,692,123	-	-	-	101,692,123
Other Charges	13,752,463	-	-	-	13,752,463
Rent and Rates	-	-	3,675,170	-	3,675,170
Central Items	-	-	-	1,562,036	1,562,036
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	115,444,586	-	3,675,170	1,562,036	120,681,792
Surplus for the Year (a)-(b)	985,261	-	(509,615)	1,034,344	1,509,990
Less : Surplus of Provident Fund	(1,483,184)	-	-	-	(1,483,184)
	(497,923)	-	(509,615)	1,034,344	26,806
Surplus/(Deficit) b/f (Note (2))	33,606,620	(210,256)	(1,855,008)	3,185,175	34,726,531
Less : Refund to Government	-	-	(149,498)	(1,631,929)	(1,781,427)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmiry Care Supplementary (Note (3))					
Surplus / (Deficit) c/f (Note (4))	33,108,697	(210,256)	(2,514,121)	2,587,590	32,971,910
	S				

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 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 (i.e. S), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.