

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.

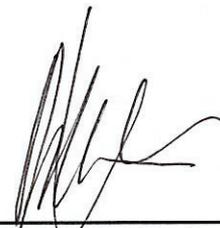
ANNUAL FINANCIAL REPORT
NGO : THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG
1 APRIL 2020 TO 31 MARCH 2021

	Notes	<u>2020-21</u> \$	<u>2019-20</u> \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	130,258,109	126,721,590
b. Provident Fund	1c	10,764,146	10,898,521
2. Fee Income	2	1,911,497	1,666,619
3. Central Items	3	3,764,878	3,217,554
4. Rent and Rates	4	3,591,309	5,132,840
5. Other Income	5	296,742	584,128
6. Interest Received		265,968	454,638
TOTAL INCOME		<u>150,852,649</u>	<u>148,675,890</u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		114,874,292	109,411,962
b. Provident Fund	1c	10,015,659	9,790,190
c. Allowances		192,326	106,379
	6	<u>125,082,277</u>	<u>119,308,531</u>
2. Other Charges	7	13,446,196	13,535,361
3. Central Items	3	3,125,013	2,193,635
4. Rent and Rates	4	3,718,665	3,712,931
TOTAL EXPENDITURE		<u>145,372,151</u>	<u>138,750,458</u>
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	<u>5,480,498</u>	<u>9,925,432</u>

The Annual Financial Report from pages 2 to 5 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.



The Hon Mr. Justice Patrick Li
Chairperson
Date: 11 October, 2021



Ms. Anthea LEE Shuk-wai
Chief Executive
Date: 11 October, 2021

THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG
 NOTES ON THE ANNUAL FINANCIAL REPORT
 1 APRIL 2020 TO 31 MARCH 2021

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 **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	3,920,842	6,843,304	10,764,146
Provident Fund Contribution			
Paid during the Year	(3,651,657)	(6,364,002)	(10,015,659)
Surplus for the Year	269,185	479,302	748,487
Add: Surplus b/f	754,378	13,299,771	14,054,149
Less: Adjustment of PF Subvention for 2018/19	(262,229)	-	(262,229)
Less: PF-6.8% post SKWH Clawback for the month 12/2020 - 3/2021	-	(160,973)	(160,973)
Add: Additional PF for 6.8% post for 2018/19 or before arising from departure of Snapshot staff	-	74,772	74,772
Surplus c/f	<u>761,334</u>	<u>13,692,872</u>	<u>14,454,206</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>2020-21</u>	<u>2019-20</u>
	\$	\$
a. Income		
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)	1,403,652	1,394,286
Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	438,934	438,934
Special Grant on Manpower Support for Residential and Home-based Care Service Units in respect of the "Severe Respiratory Disease associated with a Novel Infectious Agent"	-	274,334
Subvention of Ethnic Minority District Ambassador (EMDA) Posts	812,292	-
Total	<u>3,764,878</u>	<u>3,217,554</u>
b. Expenditure		
Short-term Rental Assistance to Newly Discharged Prisoners	1,303,081	834,207
Financial Incentive Scheme for Mentors of Employees with Disabilities	6,650	9,500
Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on-call Allowance)	1,116,757	1,000,672
Training sponsorship scheme for MOT/MPT Programme		
Subvention of Ethnic Minority District Ambassador (EMDA) Posts	336,885	-
Allowance for Staff of Subvented Residential Service Units in respect of COVID-19	361,640	349,256
Total	<u>3,125,013</u>	<u>2,193,635</u>

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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 is as follows :

Other Income	2020-21	2019-20
	\$	\$
(a) Fees and charges for services incidental to the operation of subvented services	296,742	584,128
(b) Others	-	-
	<u>296,742</u>	<u>584,128</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	No. of Posts	\$
HK\$700,001 - HK\$800,000 p.a.	22	16,440,958
HK\$800,001 - HK\$900,000 p.a.	3	2,538,857
HK\$900,001 - HK\$1,000,000 p.a.	2	1,876,391
HK\$1,000,001 - HK\$1,100,000 p.a.	11	11,343,476
HK\$1,100,001 - HK\$1,200,000 p.a.	4	4,686,793
>HK\$1,200,000 p.a.	4	5,412,187

7. Other Charges

The breakdown on Other Charges is as follows:

Other Charges	2020-21	2019-20
	\$	\$
(a) Utilities	1,109,560	1,617,993
(b) Food	2,983,252	2,580,124
(c) Administrative Expenses	922,877	861,966
(d) Stores and Equipment	2,216,057	2,001,654
(e) Repair and Maintenance	2,145,316	2,183,614
(f) Programme Expenses	2,062,942	2,952,702
(g) Transportation and Travelling	343,778	490,840
(h) Insurance	977,911	185,011
(i) Miscellaneous	684,503	661,457
Total	<u>13,446,196</u>	<u>13,535,361</u>

THE SOCIETY OF REHABILITATION AND CRIME PREVENTION, HONG KONG
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8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG)	Adjustment for utilised allocation under ASCP/ Enhanced ASCP-FWSS	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	141,022,255	-	-	-	141,022,255
Fee Income	1,911,497	-	-	-	1,911,497
Other Income	296,742	-	-	-	296,742
Interest Received (Note (1))	265,968	-	-	-	265,968
Rent and Rates	-	-	3,591,309	-	3,591,309
Central Items	-	-	-	3,764,878	3,764,878
Total Income (a)	143,496,462	-	3,591,309	3,764,878	150,852,649
Expenditure					
Personal Emoluments	125,082,277	-	-	-	125,082,277
Other Charges	13,446,196	-	-	-	13,446,196
Rent and Rates	-	-	3,718,665	-	3,718,665
Central Items	-	-	-	3,125,013	3,125,013
Special One-off Grant Payments	-	-	-	-	-
Total Expenditure (b)	138,528,473	-	3,718,665	3,125,013	145,372,151
Surplus/(Deficit) for the Year (a)-(b)	4,967,989	-	(127,356)	639,865	5,480,498
Less : Surplus of Provident Fund	(748,487)	-	-	-	(748,487)
	4,219,502	-	(127,356)	639,865	4,732,011
Surplus/(Deficit) b/f (Note (2))	40,289,151	-	(1,396,655)	1,234,757	40,127,253
Refund to Government	(3,481,237)	-	-	-	(3,481,237)
Adjustment per SWD letter dated 27 November, 2020	-	-	(213,696)	(757,626)	(971,322)
Adjustment per SWD letter dated 18 September, 2020	-	-	(4,920)	-	(4,920)
Adjustment per SWD letter dated 9 February, 2021	-	-	9,911	-	9,911
Surplus/(Deficit) c/f (Note (4))	41,027,416	-	(1,732,716)	1,116,996	40,411,696

Notes :

- # No items being the utilised allocation under CI - ASCP / Enhanced ASCP - FWSS*
- * For those programmes which are regarded as FSA-related activities only
- (1) Interest received on LSG and PF 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 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.