

**THE NESBITT CENTRE LIMITED**  
**思拔中心有限公司**  
(Incorporated in Hong Kong with limited by guarantee)

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2023**

**THE NESBITT CENTRE LIMITED**  
**思拔中心有限公司**  
(Incorporated in Hong Kong with limited by guarantee)

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**INDEPENDENT AUDITORS' ASSURANCE REPORT  
TO THE DIRECTORS OF THE NESBITT CENTRE LIMITED 思拔中心有限公司**  
(Incorporated in Hong Kong with limited by guarantee)

We have audited the financial statements of The Nesbitt Centre Limited (the "NGO") for the year ended 31 March 2023 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and have issued an unmodified auditor's report thereon dated 31 October 2023.

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 NGO for the year ended 31 March 2023.

**Responsibilities of the Directors**

In relation to this report, the Directors are responsible for ensuring the AFR of the NGO for the year ended 31 March 2023 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 NGO 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 PN 851 (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.



**INDEPENDENT AUDITORS' ASSURANCE REPORT (CONTINUED)**  
**TO THE DIRECTORS OF THE NESBITT CENTRE LIMITED 思拔中心有限公司**  
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**Auditor's Responsibility (Continued)**

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 NGO 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.

**Conclusion**

1. In our opinion, the AFR of the NGO for the year ended 31 March 2023 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 NGO 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 NGO 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.

A handwritten signature in black ink, appearing to read 'Aob', enclosed within a circular scribble.

AOB CPA & Co.  
Certified Public Accountants  
Hong Kong  
Date: 31 October 2023

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**ANNUAL FINANCIAL REPORT****FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023**

	Notes	2022-23 HK\$	2021-22 HK\$
<b>A. INCOME</b>			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1	3,680,579	3,631,226
b. Provident Fund	1	214,242	211,214
2. Special One-off Grant		-	-
3. Fee Income	2	1,097,387	1,620,633
4. Central Items	3	-	-
5. Rent and Rates	4	32,391	32,391
6. Other Income	5	61,059	72,483
7. Interest Received		1,333	131
<b>TOTAL INCOME</b>		<u>5,086,991</u>	<u>5,568,078</u>
<b>B. EXPENDITURE</b>			
1. Personal Emoluments	6		
a. Salaries		(4,116,060)	(3,822,626)
b. Provident Fund	1	(207,685)	(144,112)
c. Allowances		-	-
Sub-total		<u>(4,323,745)</u>	<u>(3,966,738)</u>
2. Other Charges	7	(1,091,433)	(1,171,852)
3. Central Items	3	-	-
4. Rent and Rates	4	<u>(48,967)</u>	<u>(40,000)</u>
<b>TOTAL EXPENDITURE</b>		<u>(5,464,145)</u>	<u>(5,178,590)</u>
<b>C. (DEFICIT)/ SURPLUS FOR THE YEAR</b>	8	<u>(377,154)</u>	<u>389,488</u>

The Annual Financial Report from pages 3 to 10 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Authorised  
signature

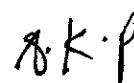


Name Andrew SHEARD

Title Chairman

Date 31 October 2023

Authorised  
signature



Name Surinder PUNJYA

Title Chief Executive

Date 31 October 2023

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**NOTES ON THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023**

**1. Lump Sum Grant**

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 services) 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.

Lump Sun Grant (excluding Provident Fund)

This represents Lump Sun Grant (excluding Provident Fund) received for the year.

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 Provident Fund received and contributed for staff under the Central Items should be shown under **Note 3** (if any).

Details are analysed below:

<u>Provident fund contribution</u>	Snapshot staff HK\$	6.8% and other posts HK\$	Total HK\$
Subvention received	-	214,242	214,242
Provident fund contribution paid during the year	-	(207,685)	(207,685)
Surplus for the year	-	6,557	6,557
Add: Surplus/ (deficit) brought forward	-	67,102	67,102
Surplus carried forward	-	73,659	73,659

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**NOTES ON THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023 (CONTINUED)**

**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 Provident Fund received and contributed for staff under the Central Items should be separately included as part of the income and expenditure of the relevant items.

No income or expenditure in respect of the Central Items are received or paid during the year.

**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 should not be 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 should be included if it is used to finance expenditure reflected in the AFR.

The breakdown on other income is as follows:

	<b>2022-23</b>	<b>2021-22</b>
	<b>HK\$</b>	<b>HK\$</b>
Donation	8,555	-
Miscellaneous income	52,504	72,483
	<u>61,059</u>	<u>72,483</u>

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**NOTES ON THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023 (CONTINUED)****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 paid under LSG</u>	No. of Posts	2022-23 HK\$	2021-22 HK\$
HK\$700,001-HK\$800,000 p.a.	-	-	-
HK\$800,001-HK\$900,000 p.a.	1	855,456	843,856
HK\$900,001-HK\$1,000,000 p.a.	-	-	-
HK\$1,000,001-HK\$1,100,000 p.a.	-	-	-
HK\$1,100,001-HK\$1,200,000 p.a.	-	-	-
> HK\$1,200,000 p.a.	-	-	-
		<u>-</u>	<u>-</u>

**7. Other charges**

The breakdown on other charges is as follows:

	2022-23 HK\$	2021-22 HK\$
a. Utilities	75,489	66,456
b. Accounting fee	183,230	181,645
c. Stores and equipment	1,584	23,806
d. Repair and maintenance	17,679	27,429
e. Staff training and welfare	66,666	106,432
f. Programme expenses	487,677	461,459
g. Transportation and travelling	54,871	77,750
h. Insurance	51,771	70,883
i. Printing and stationery and postage	46,321	41,139
j. Miscellaneous	106,145	114,853
	<u>1,091,433</u>	<u>1,171,852</u>
Total		



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**NOTES ON THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023 (CONTINUED)**

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

	Lump Sum Grant (LSG) HK\$	Holding account (HA) HK\$	Rent and rates HK\$	Total HK\$
<b>Income</b>				
Lump Sum Grant	3,894,821	-	-	3,894,821
Fee income	1,097,387	-	-	1,097,387
Other income	61,059	-	-	61,059
Interest received (Note (i))	1,333	-	-	1,333
Rent and rates	-	-	32,391	32,391
Central items	-	-	-	-
<b>Total income (a)</b>	<b>5,054,600</b>	<b>-</b>	<b>32,391</b>	<b>5,086,991</b>
<b>Expenditure</b>				
Personal emoluments	(4,323,745)	-	-	(4,323,745)
Other charges	(1,024,767)	(66,666)	-	(1,091,433)
Rent and rates	-	-	(48,967)	(48,967)
Central items	-	-	-	-
<b>Total expenditure (b)</b>	<b>(5,348,512)</b>	<b>(66,666)</b>	<b>(48,967)</b>	<b>(5,464,145)</b>
<b>Surplus/ (deficit) for the year [(a) – (b)]</b>	<b>(293,912)</b>	<b>(66,666)</b>	<b>(16,576)</b>	<b>(377,154)</b>
Transfer to Provident Fund (PF) Reserve	(6,557)	-	-	(6,557)
<b>Surplus/ (deficit) brought forward (Note (ii))</b>	<b>1,313,664</b>	<b>306,496</b>	<b>(7,609)</b>	<b>1,612,551</b>
Less: provisional clawback in 2022/23	(69,940)	-	-	(69,940)
	<b>943,255</b>	<b>239,830</b>	<b>(24,185)</b>	<b>1,158,900</b>
<u>Adjustments relating to SWD letters</u> Ref SWD SF/SI/4-65/89(386)III				
Professional fee borne by The Nestbitt Centre Limited ("TNCL") for 2013/14	51,900	-	-	51,900
Travelling fee borne by TNCL for 2017/18	6,000	-	-	6,000
	<b>57,900</b>	<b>-</b>	<b>-</b>	<b>57,900</b>
<b>Surplus/ (deficit) carried forward (Note (iv))</b>	<b>1,001,155</b>	<b>239,830</b>	<b>(24,185)</b>	<b>1,216,800</b>

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**NOTES ON THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023 (CONTINUED)**

**8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions (Continued)**

Notes:

- (i) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant should be included as one item under LSG; and the item is considered as part of LSG reserve.
- (ii) Accumulated balance Lump Sum Grant Surplus brought forward from previous years (including holding account) and all interest received in previous years should be included in the surplus brought forward under LSG.
- (iii) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.
- (iv) The level of LSG cumulative reserve, 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.

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**SCHEDULE FOR RENT AND RATES****ANALYSIS OF SUBVENTION AND EXPENDITURE FOR THE PERIOD FROM 1 APRIL 2022 TO 31 MARCH 2023**

Unit code & name	Subventioned element	Subvention released (Note i) HK\$	Actual expenditure HK\$	Surplus (Note ii) HK\$	Deficit (Note ii) HK\$
7660	Rent (Note iii)	12,996	34,467	-	(21,471)
	Rates	19,395	28,500	(9,105)	-
	Less:				
	Rates concession	-	(14,000)	14,000	-
	Total	<u>32,391</u>	<u>48,967</u>	<u>4,895</u>	<u>(21,471)</u>
	Rent (Note iii)	-	-	-	-
	Rates	-	-	-	-
	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Rent (Note iii)	-	-	-	-
	Rates	-	-	-	-
	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Grant total	<u>32,391</u>	<u>48,967</u>	<u>4,895</u>	<u>(21,471)</u>

## Notes:

- (i) The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial year(s) (i.e. back payments) should not be included.
- (ii) Surplus/deficit for each element represents the difference between subvention released and actual expenditure.
- (iii) Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, maintenance fee and government rent.

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**SCHEDULE FOR HOLDING ACCOUNT****(A) Utilisation of HA Reserve (2022-23)**

		<b>HKS</b>
(1) Balance as at 31 March 2022 brought forward	(a)	<u>306,496</u>
(2) Actual Expenditure		
(i) Meeting contractual commitments towards Snapshot Staff	(b)	-
(ii) Enhancing human resources management (please specify: staff training and staff welfare)	(c)	(66,666)
(iii) Others [applicable to NGOs without Snapshot Staff]	(d)	<u>-</u>
Total = (b) + (c) + (d)	(e)	<u>(66,666)</u>
(3) Balance as at 31 March 2023 carried forward [i.e. = (a) - (e)]	(f)	<u>239,830</u>
(4) No. of Snapshot Staff (as at 1 September 2022)		<u>-</u>

**(B) Plan Utilisation of HA Reserve (2023-24)**

		<b>HKS</b>
(1) Balance as at 31 March 2023 brought forward	(a)	<u>239,830</u>
(2) Actual Expenditure		
(i) Meeting contractual commitments towards Snapshot Staff	(b)	-
(ii) Enhancing human resources management (please specify: staff training and staff welfare)	(c)	(100,000)
(iii) Others [applicable to NGOs without Snapshot Staff]	(d)	<u>-</u>
Total = (b) + (c) + (d)	(e)	<u>(100,000)</u>
(3) Balance as at 31 March 2023 carried forward [i.e. = (a) - (e)]	(f)	<u>139,830</u>
(4) No. of Snapshot Staff (as at 1 September 2023)		<u>-</u>

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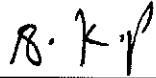
**SCHEDULE FOR INVESTMENT**

**ANALYSIS OF INVESTMENT AS AT 31 MARCH 2023**

	2022-23 HK\$	2021-22 HK\$
<b>LSG Reserve as at 31 March</b>	1,240,985	1,620,160
Representing by:		
Investments		
a. HKD Bank Account Balances	315,041	926,732
b. HKD Fixed deposits	925,944	693,428
	1,240,985	1,620,160

Note: The investments should be reported at historical cost.

Confirmed by:

Authorised signature		Authorised signature	
Name	<u>Andrew SHEARD</u>	Name	<u>Surinder PUNJYA</u>
Title	<u>Chairman</u>	Title	<u>Chief Executive</u>
Date	<u>31 October 2023</u>	Date	<u>31 October 2023</u>