

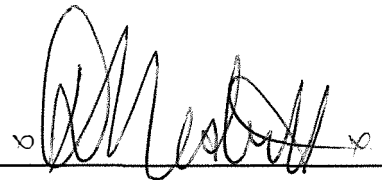
ANNUAL FINANCIAL REPORT

NGO : The Nesbitt Centre Limited

(1 April 2020 to 31 March 2021)

	Notes	Total 2020-21 HK\$	Total 2019-20 HK\$
A. Income			
1 Lump Sum Grant		3,839,489	3,314,474
a. Lump Sum Grant (excluding Provident Fund)	1b	3,628,360	3,132,700
b. Provident Fund	1c	211,129	181,774
2 Special One-off Grant		-	-
3 Fee Income	2	2,169,943	2,704,174
4 Central Items	3	-	55,000
5 Rent and Rates	4	32,391	31,699
6 Other Income	5	146,407	334,543
7 Interest Received		254	2,108
TOTAL INCOME		<u>6,188,484</u>	<u>6,441,998</u>
B. Expenditure			
1 Personal Emoluments	6	4,648,383	5,008,904
a. Salaries		4,388,393	4,844,139
b. Provident Fund	1c	259,990	164,765
c. Allowances		-	-
2 Other Charges	7	942,973	1,288,095
3 Central Items	3		
4 Rent and Rates	4	37,900	47,770
TOTAL EXPENDITURE		<u>5,629,256</u>	<u>6,344,769</u>
C. SURPLUS FOR THE YEAR	8	<u>559,228</u>	<u>97,229</u>


The Annual Financial Report from pages 2 to 9 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Authorised Signature 

Name David McWilliams Nesbitt

Title Chairman

Date 29 October 2021

Authorised Signature 

Name Surinder Punjya

Title Chief Executive

Date 29 October 2021

NOTES ON THE ANNUAL FINANCIAL REPORT

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 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 **Note 3.**

Details are analysed below :

<u>Provident Fund Contribution</u>	Snapshot Staff HK\$	6.8% and Other Posts HK\$	Total HK\$
Subvention Received	-	211,129	211,129
Provident Fund Contribution paid during the year	-	259,990	259,990
Surplus / (Deficit) for the Year	-	(48,861)	(48,861)
Add: Surplus / (Deficit) b/f	-	17,009	17,009
Deficits to be borne by TNCL	-	(31,852)	(31,852)
Transfer deficit born by TNCL	-	31,852	31,852
<u>Add:</u>			
2015/16 adjustment for social enterprises and penalties (TNCL email dated 23/12/2020)	-	54,179	54,179
<u>Less:</u>			
Over-absorption of PF deficit for 2015-16 w/b (aoiisas2 email dated 7/5/2021)	-	(54,179)	(54,179)
Surplus/(Deficit) c/f	-	-	-

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.

NOTES ON THE ANNUAL FINANCIAL REPORT

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 Social Welfare Department's ("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. The income and expenditure of each of the Central Items are as follows:

	2020-21 HK\$	2019-20 HK\$
a Income		
One-off subsidy for organising social activities	-	55,000
Total	-	55,000
	-	55,000
b Expenditure		
	-	-
	-	-
	-	-

4 Rent and Rates

This represents the amount paid by SWD in respect of premises recognized by SWD. Expenditure on rent and rates in respect of premises not recognized by SWD should not be included in AFR.

5 Other Income

This includes programme income and all income other than recognized 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:

	2020-21 HK\$	2019-20 HK\$
Donation	110,145	116,468
Management Fee Income	-	102,000
Miscellaneous Income	36,262	116,075
	146,407	334,543
	146,407	334,543

6 Personal Emoluments

Personal Emoluments include salary, provident fund, 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 paid under LSG	No. of Posts	2020-21 HK\$	2019-20 HK\$
HK\$700,001-HK\$800,000 p.a.	0	-	-
HK\$800,001-HK\$900,000 p.a.	1	880,589	884,702
HK\$900,001-HK\$1,000,000 p.a.	0	-	-
HK\$1,000,001-HK\$1,100,000 p.a.	0	-	-
HK\$1,100,001-HK\$1,200,000 p.a.	0	-	-
> HK\$1,200,000 p.a.	0	-	-
	1	880,589	884,702

NOTES ON THE ANNUAL FINANCIAL REPORT

7 Other Charges

The breakdown on Other Charges is as follows:

	2020-21 HK\$	2019-20 HK\$	
a Utilities	39,935	109,457	
b Accounting Fee	161,685	170,670	
c Stores and Equipment	17,450	44,225	
d Repair and Maintenance	23,856	21,978	
e Staff training and welfare	57,092	54,483	
f Programme Expenses	246,341	411,799	*
g Transportation and Travelling	49,054	148,691	
h Insurance	85,881	69,442	
i Facilities charges	104,993	96,000	
j Printing & Stationery & Postage	51,600	52,868	
k Miscellaneous	105,086	108,482	**
Total	<u>942,973</u>	<u>1,288,095</u>	

* Amount of \$96,000 has been re-classified as facilities charges.

** Amount of \$170,670 and \$54,483 have been separately disclosed as accounting fee, staff training and welfare expenses .

NOTES ON THE ANNUAL FINANCIAL REPORT

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

	Lump Sum Grant (LSG) HK\$	Rent and Rates HK\$	Central Items HK\$	Total HK\$
Income				
Lump Sum Grant	3,839,489	-	-	3,839,489
Fee Income	2,169,943	-	-	2,169,943
Other Income	146,407	-	-	146,407
Interest Received	254	-	-	254
Rent and Rates	-	32,391	-	32,391
Central Items	-	-	-	-
Total Income (a)	6,156,093	32,391	-	6,188,484
Expenditure				
Personal Emoluments	4,648,383	-	-	4,648,383
Other Charges	942,973	-	-	942,973
Rent and Rates	-	37,900	-	37,900
Central Items	-	-	-	-
Total Expenditure (b)	5,591,356	37,900	-	5,629,256
Surplus / (Deficit) for the Year (a) - (b)	564,737	(5,509)	-	559,228
Transfer from Provident Fund (PF) Reserve	17,009	-	-	17,009
Transfer from TNCL for PF deficit	31,852	-	-	31,852
Surplus / (Deficit) b/f	1,451,722	(46,763)	-	1,404,959
<u>Adjustment relating to SWD letters/email</u>				
2012-13 and 2013-14				
Ref SWD SF/SAS/4-65/89(386)I1 dated 22/10/2020				
Professional fees and sharing of expenses for social enterprises	176,622	-	-	176,622
Less amount under objection TNCL letter 23/11/2020	(51,900)	-	-	(51,900)
2016/17				
Professional fees for non-subvented activities	25,400	-	-	25,400
Sharing of professional fee by social enterprises as per reply from TNCL to aosis1@swd.gov.hk dated 28 May 2021 and 19 April 2021 resp. Ref SWD SF/SI/4-65/89(386)I1 dated 2/4/2019	3,581	-	-	3,581
2018/19				
Absorb R&R deficits by TNCL Ref SWD SF/SAS/4-65/89(386)I1 dated 22/10/2020	-	17,696	-	17,696
	153,703	17,696	-	171,399
Surplus / (Deficit) c/f	2,219,023	(34,576.00)	-	2,184,447

NOTES ON THE ANNUAL FINANCIAL REPORT

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

Notes :

(1) Interest received on LSG and Provident Fund 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 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 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 Provident Fund expenditure) for the year.