

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

ANNUAL FINANCIAL REPORT (REVISED)

FOR THE YEAR ENDED 31 MARCH 2024

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 2024

Contents	Pages
Auditor's assurance report	1 - 2
Annual financial report	3
Notes to the annual financial report	4 - 8
Schedule for rent and rates	9
Schedule for holding account	10
Schedule for investment	11



**INDEPENDENT AUDITOR'S 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 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 30 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 NGO for the year ended 31 March 2024.

Other Matter

The financial statements of the NGO for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 31 October 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 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 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.



INDEPENDENT AUDITOR'S 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 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.

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 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 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.

AOGB CPA Limited

HO Chun Shing
Certified Public Accountants (Practising)
Practising Certificate Number P07257

Hong Kong
Date: 30 October 2024

THE NESBITT CENTRE LIMITED

思拔中心有限公司

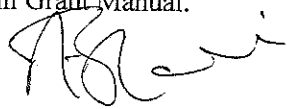
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ANNUAL FINANCIAL REPORT**FOR THE PERIOD FROM 1 APRIL 2023 TO 31 MARCH 2024**

	Notes	2023-24 HK\$	2022-23 HK\$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1	3,844,275	3,680,579
b. Provident Fund	1	224,206	214,242
2. Fee Income	2	1,386,938	1,097,387
3. Rent and Rates	4	32,391	32,391
4. Other Income	5	131,063	61,059
5. Interest Received		5,437	1,333
TOTAL INCOME		<u>5,624,310</u>	<u>5,086,991</u>
B. EXPENDITURE			
1. Personal Emoluments	6		
a. Salaries		(4,605,484)	(4,116,060)
b. Provident Fund Contributions	1	(173,766)	(207,685)
Sub-total		<u>(4,779,250)</u>	<u>(4,323,745)</u>
2. Other Charges	7	(1,261,994)	(1,091,433)
3. Rent and Rates	4	(67,372)	(48,967)
TOTAL EXPENDITURE		<u>(6,108,616)</u>	<u>(5,464,145)</u>
C. DEFICIT FOR THE YEAR	8	<u>(484,306)</u>	<u>(377,154)</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

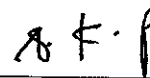


Name Andrew SHEARD

Title Chairman

Date 30 October 2024

Authorised
signature



Name Surinder PUNJYA

Title Chief Executive

Date 30 October 2024

THE NESBITT CENTRE LIMITED

思拔中心有限公司

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NOTES TO THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2023 TO 31 MARCH 2024**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 ("SWD") 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 ("LSG") (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 Staffs are defined as those staffs occupying recognised or holding against subvented posts as at 1 April 2000.

6.8% and other posts represent those staffs that are employed after 1 April 2000.

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

Details are analysed below:

<u>Provident fund Contributions</u>	Snapshot staff HK\$	6.8% and other posts HK\$	Total HK\$
Subvention received	-	224,206	224,206
Provident fund contribution paid during the year	-	(173,766)	(173,766)
Surplus for the year	-	50,440	50,440
Add: Surpluses brought forward	-	73,659	73,659
Adjustment	-	(85)	(85)
Surpluses carried forward	-	124,014	124,014

THE NESBITT CENTRE LIMITED**思拔中心有限公司**

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NOTES TO THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2023 TO 31 MARCH 2024 (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 Non-Governmental Organisations ("NGO").

The Provident Fund received and contributed for staffs 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 (2023: Nil).

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:

	2023-24	2022-23
	HK\$	HK\$
Donations	68,230	8,555
Miscellaneous income	62,833	52,504
	<u>131,063</u>	<u>61,059</u>

THE NESBITT CENTRE LIMITED

思拔中心有限公司

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NOTES TO THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2023 TO 31 MARCH 2024 (CONTINUED)**6. Personal emoluments**

Personal Emoluments include salaries entitled, provident funds contributed and salary-related allowances paid during the year.

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	2023-24 HK\$	2022-23 HK\$
HK\$700,001-HK\$800,000 p.a.	-	-	-
HK\$800,001-HK\$900,000 p.a.	1	-	855,456
HK\$900,001-HK\$1,000,000 p.a.	1	916,184	-
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.	-	-	-

7. Other charges

The breakdown on other charges is as follows:

	2023-24 HK\$	2022-23 HK\$
a. Utilities charges	72,838	75,489
b. Accounting fees	170,080	183,230
c. Stores and equipment expenses	2,242	1,584
d. Repair and maintenance expenses	20,894	17,679
e. Staff training and welfare costs	14,913	66,666
f. Programme expenses	570,090	487,677
g. Transportation and travelling expenses	69,802	54,871
h. Insurance expenses	62,984	51,771
i. Printing, stationery and Postage expenses	48,561	46,321
j. Miscellaneous expenses	229,590	106,145
Total	1,261,994	1,091,433

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思拔中心有限公司

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NOTES TO THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2023 TO 31 MARCH 2024 (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\$
Income				
Lump Sum Grant	4,068,481	-	-	4,068,481
Fee income	1,386,938	-	-	1,386,938
Other income	131,063	-	-	131,063
Interest received (Note (i))	5,437	-	-	5,437
Rent and rates	-	-	32,391	32,391
Total income (a)	5,591,919	-	32,391	5,624,310
Expenditure				
Personal emoluments	(4,779,250)	-	-	(4,779,250)
Other charges	(1,247,081)	(14,913)	-	(1,261,994)
Rent and rates	-	-	(67,372)	(67,372)
Total expenditure (b)	(6,026,331)	(14,913)	(67,372)	(6,108,616)
Surplus/ (deficit) for the year [(a) – (b)]	(434,412)	(14,913)	(34,981)	(484,306)
Transfer to Provident Fund (PF) Reserve	(50,440)	-	-	(50,440)
Surpluses/ (deficits) brought forward (Note (ii))	1,001,155	239,830	(24,185)	1,216,800
	516,303	224,917	(59,166)	682,054
<u>Adjustments relating to</u>				
SWD letters:				
Ref SWD SF/SI/4-				
65/89(386)VIII Limited	85	-	-	85
Cash adjustments:				
Reimbursement of rent and rate deficits for 2022/23	-	-	33,975	33,975
	85	-	33,975	34,060
Surpluses/ (deficits) carried forward (Note (iv))	516,388	224,917	(25,191)	716,114

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NOTES TO THE ANNUAL FINANCIAL REPORT FOR THE PERIOD FROM 1 APRIL 2023 TO 31 MARCH 2024 (CONTINUED)

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

Notes:

- (i) Interest received on LSG and Provident Fund, Rent and Rates, and central items should be included as one item under LSG; and the item is considered as part of LSG reserve.
- (ii) Accumulated balance Lump Sum Grant Surpluses brought forward from previous years (including holding account) and all interest received in previous years should be included in the surpluses brought forward under LSG.
- (iii) The level of LSG cumulative reserve, less LSG Reserve kept in the holding account, will be capped at 25% (2023: 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 2023 TO 31 MARCH 2024**

Unit code & name	Subventioned element	Subvention released (Note i) HK\$	Actual expenditure HK\$	Surplus/ Deficit (Note ii) HK\$
7660	Rent (Note iii)	12,996	(40,872)	(27,876)
	Rates	<u>19,395</u>	<u>(26,500)</u>	<u>(7,105)</u>
	Grant total	<u>32,391</u>	<u>(67,372)</u>	<u>(34,981)</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.

思拔中心有限公司

SCHEDULE FOR HOLDING ACCOUNT

HKS

(B) Plan Utilisation of HA Reserve (2024-25)

HK\$

- 10 -

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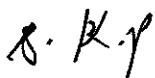
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SCHEDULE FOR INVESTMENT**ANALYSIS OF INVESTMENT AS AT 31 MARCH 2024**

	2023-24 HK\$	2022-23 HK\$
LSG Reserve as at 31 March	<u>741,306</u>	<u>1,240,985</u>
Representing by:		
Investments		
a. HKD Bank Account Balances	257,214	315,041
b. HKD Fixed deposits	<u>484,092</u>	<u>925,944</u>
	<u>741,306</u>	<u>1,240,985</u>

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>30 October 2024</u>	Date	<u>30 October 2024</u>