

THE BOYS' BRIGADE, HONG KONG
香港基督少年軍
(INCORPORATED IN HONG KONG)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026



沁薈會計師事務所有限公司

Evabest CPA Limited

Certified Public Accountants

**THE BOYS' BRIGADE, HONG KONG
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

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THE BOYS' BRIGADE, HONG KONG REPORT OF THE DIRECTORS

The directors present their annual report together with the audited financial statements for the year ended 31 March 2026.

1. PRINCIPAL ACTIVITIES

The principal activities of the company during the year were providing integrated youth services and training activities for young people.

2. BUSINESS REVIEW

Background

A Brief History

The Boys' Brigade, Hong Kong ("BBHK") is incorporated in Hong Kong as a company limited by guarantee and principally engages in providing integrated services and leadership training for today's youth. Established locally in 1959, BBHK trace its genesis back to 1883, when Sir William Alexander Smith founded The Boys' Brigade in Glasgow as a pioneering international Christian youth uniform organization. Today, this mission movement spans the globe with a presence in over 60 countries.

In Hong Kong, BBHK actively serves more than 10,644 youth members and 3,099 officers and volunteers. Our footprint includes 424 companies operating across local churches, secondary schools, primary schools, kindergartens, and youth centers territory-wide. Through structured regular company meetings focusing on Christian education, foot drills, skills development, and award schemes, we empower children and teenagers to achieve all-round personal growth. We are dedicated to helping them cultivate lasting character traits such as patience, kindness, loyalty, faithfulness, and a deep sense of social commitment.

Our Vision

Whole-Person Development: Being the training base for the whole-person development of youths, we facilitate intercultural learning and exchanges among young people from local, mainland China and overseas.

Character Building: Emphasizing the value of character development and devote ourselves helping youths to build positive core values.

Youth Integration with Community: Raising social awareness of the youth through community services and training so as to enrich their knowledge and enhance their willingness to take on social responsibilities.

Advocacy of Family Values: Promoting harmony in families, caring for their spiritual needs, and strengthening pillars of a healthy, supportive home life.

Living out Christ's Life: Encouraging youth members to model their lives after Christ through spiritual discipline, allowing their faith to positively influence the lives of others.

THE BOYS' BRIGADE, HONG KONG REPORT OF THE DIRECTORS (Continued)

2. BUSINESS REVIEW (Continued)

Background (Continued)

Our Mission

To help young people develop respectable values and builds a good character based on Christian education and beliefs.

To unlock and train up leadership potential of young people to become leaders of the church and society; training life coaches to serve young people.

To promote whole-person growth in youth by adopting the training approach of uniformed group.

To lead young people to know and accept Jesus Christ as the Lord of their lives.

Our Objective

The advancement of the Christ's Kingdom among young people and the promotion of habits of obedience, reverence, discipline, self-respect and all that tends towards a true Christian Manliness.

Our Core Services

Uniformed Group Service
Professional Training Service
Social Work Service
Character Nurturing Service

Our Achievements

Our uniformed group services continue to deliver high-quality training and leadership programs tailored for children and youth aged 3 to 21. As at 31 March 2026, we had a total of 424 units in across churches, secondary schools, primary schools, kindergartens and youth centres in Hong Kong with 10,644 youth members. Despite our stable reach, we observed a 3% decrease in youth membership, mainly due to shifting birth rate and immigration trends.

BBHK operates a comprehensive adventure training facility in Ma Wan Park which comprises of the Ma Wan Event Centre, the Adventureland in Noah's Ark and its surrounding areas. These facilities enabled us to design and offer impactful experiential learning opportunities, including indoor and outdoor rope courses, abseiling, tree climbing, creative sports, cultural and heritage orienteering. These activities ensure both our uniformed group members and professional training participants benefit from our holistic and all rounded programmes achieve whole person development.

THE BOYS' BRIGADE, HONG KONG REPORT OF THE DIRECTORS (Continued)

2. BUSINESS REVIEW (Continued)

Our Achievements (Continued)

In response to the social needs and demonstrate our commitment to serving our society, we expanded our service to character and family education since 2010. Our signature programmes, Love Family Project and Experiential Education Programmes, continue to advocate for family harmony and positive mental well-being. Furthermore, our Parent Volunteer Group, which was introduced in February 2019, extends our connection between our youth members and their parents.

Key Performance Indicators

The following tables detail our organizational performance across our core service areas over the past two fiscal years:

	2026	2025
Uniformed Group Services		
● Number of youth members	10,644 members	10,930 members
● Number of officers and volunteers	3,099 members	3,570 members
● Total number of members	13,743 members	14,500 members
● Number of companies	424 companies	413 companies
● Training programmes provided	48 programmes	82 programmes
● Event programmes provided	36 programmes	60 programmes
Professional Training Services		
● Number of programmes offered	902 programmes	728 programmes
● Number of participants	53,678 participants	45,312 participants
School Social Work Services		
● Number of schools supported	3 secondary schools	3 secondary schools; 1 primary school (up to 8/24)
● Number of cases	325 cases	384 cases
● Number of programmes / sessions provided	161 / 452	210 / 572
● Number of consultation sessions provided	3,122	3,444
Character Nurturing Services		
● Number of training sessions provided	10,177 sessions	11,308 sessions
● Number of participants	116,951 participants	137,590 participants

THE BOYS' BRIGADE, HONG KONG REPORT OF THE DIRECTORS (Continued)

2. BUSINESS REVIEW (Continued)

Financial performance

We adopt a prudent approach in managing our finances and strive to maintain a balanced budget to support our daily operations and sustain our future growth. We have a diversified revenue model supported by different funding sources, including government subventions under Home and Youth Affairs Bureau and Social Welfare Department for our Uniformed Group Service and our Social Work Service, as well as designated funds from Home and Youth Affairs Bureau, Education Bureau and other government offices and organizations for our Character Nurturing Services. On the other hand, our Professional Training Services operation is self-financed. On top of the above, BBHK also receives various funding and donations from different parties, including public and corporate sectors, as well as from the general public.

For the financial year ended 31 March 2026, BBHK recorded a surplus of HK\$3.60 million, compared with a deficit of HK\$1.57 million in 2024/25. This improvement was mainly driven by an increase in donation income and better cost control. Total income for the year was HK\$62.63 million, representing a decrease of HK\$3.41 million from 2024/25, while donation income increased by HK\$4.87 million to HK\$9.22 million. Staff costs decreased by HK\$3.14 million to HK\$26.40 million.

Key Financial Indicators

	2026	2025	
	HK\$	HK\$	
Total income	62,631,598	66,046,534	Decreased 5.2%
Donation income	9,224,608	4,352,545	Increased 111.9%
Designated fund and Programme Income	40,401,281	48,271,560	Decreased 16.3%
Staff Costs - General Staff	26,398,356	29,544,078	Decreased 10.6%
Surplus/(Deficit) for the year	3,607,607	(1,567,611)	

Key Stakeholder Relationships

Open, effective communication sits at the heart of BBHK's operational framework. We keep our companies, officers, and members well-informed via our official website and electronic communications. Comprehensive channels, including annual events, regional activities, committee meetings, active company visits, surveys, and dedicated corporate publications, to keep continuous mutual communication among our stakeholders.

BBHK maintains good relationship with government departments, various local non-government organizations and other youth uniformed groups in Hong Kong. We are a member agency of the Community Chest and the Hong Kong Council of Social Service. We are also one of the subvented uniformed youth organizations supported by Home and Youth Affairs Bureau, as well as a founding member of Boys' Brigade Asia. We actively participate in cross sector forums and seminars with these bodies to share experience and knowledge on organizing youth services and managing non-governmental organisations.

We consistently obtain feedback and insights from our service partners and participants through surveys and research to understand the needs of our society and continue to improve the quality of our services.

THE BOYS' BRIGADE, HONG KONG REPORT OF THE DIRECTORS (Continued)

2. BUSINESS REVIEW (Continued)

Key Stakeholder Relationships (Continued)

As an employer, BBHK is dedicated to provide a caring workplace with fair, competitive remuneration packages. We nurture team spirit, morale, and professional excellence through regular team-building activities and development opportunities, maintaining open channels of internal feedback through comprehensive performance reviews and staff assemblies.

Principal Risks and Uncertainties

BBHK is a non-governmental organisation. Our operations are not fully supported by government. Our core funding mainly sources from subvention, programme funding and training income, tightening government budgets availability of funding programmes and competitions from other fund applicants pose challenge to our financial performance. Donations are another source of income which is largely affected by general economic environment. In addition, our Anchor House is a self-sustained social enterprise providing adventure training programmes to youth members, churches, corporations and the general public at Noah's Ark. We face competitions from similar organisations from both the public and private sectors.

Our Board and the management team are aware of the situation and work proactively towards the situation. We are committed to maintaining our financial resilience and fostering sustainable growth in a dynamic environment.

Future Development

We conducted a strategic review of our Ma Wan ministry in light of the changing local economic environment and evolving service needs. The organisation plans to cease leasing the entire Ma Wan Event Centre in order to reduce substantial rental expenditure and to make more flexible use of different venues to support programme development. Moving forward, Ma Wan Event Centre space will be utilised on a flexible, as-needed basis. On the other hand, BBHK will continue to utilise other facilities in Ma Wan, including the outdoor adventure facilities and the Dummy Daddy Workshop at Noah's Ark.

BBHK takes up the revitalisation project of Fong Yuen Study Hall in Ma Wan to offer a unique experiential learning environment that integrates historical, cultural and ecological education with STEM and innovation elements. The site is expected to be opened to public by end of 2026.

Collaborative breakthroughs were made in early 2026 following positive discussions with the Christian & Missionary Alliance Church Union Hong Kong Limited. We are exploring a potential cooperation opportunity with Anchor House at Suen Douh Camp. Further updates will be announced.

**THE BOYS' BRIGADE, HONG KONG
REPORT OF THE DIRECTORS (Continued)**

2. BUSINESS REVIEW (Continued)

Future Development (Continued)

BBHK continues to optimise office utilization at our headquarters premises. The Public Relations and Fund-raising Department and Uniformed Group Department relocated back to Headquarters in January 2026. In addition, Stedfast House confirmed the rental of office premises at Christian Communications Ltd. (CCL) in Tsuen Wan, enabling staff previously to split between Headquarters and the Ma Wan Event Centre to consolidate operations there by the end of April. These moves reflect BBHK's commitment to enhancing operational efficiency and supporting the long-term development of its ministries. At the same time, we are identifying suitable premises for our permanent headquarters and ministry service to support our long-term development needs.

Finally, despite the many challenges faced in 2025/26, BBHK demonstrated resilience amid uncertainties through the leadership of the Board and management, the commitment of our staff, and the support of our stakeholders. We believe that our plans will continue to drive sustainable growth, bring benefits to its members, strengthen its corporate image and, most importantly, advancement to the Christ's Kingdom.

3. DIRECTORS

The directors who held office during the year and up to the date of this report were:

CHIU Frong	(Retired on 1 September 2025)
CHUNG Chi Kong	
FUNG Siu Bun	
LO Chi Man	
LO Wing Ching	
WU Ting Pang	(Retired on 1 September 2025)
CHAN Ho Yan	
HO Denny King-leung	
LEE Chun Ming	
FONG Wai Kin Alex	
FUNG Shing Wah	
WAN Kwong Chi	
LUI Tung Chi	
KING Sik Tai, Horace	
WONG Yin Yi	(Appointed on 1 September 2025)
CHAN Tak Cheong	(Appointed on 1 September 2025)
CHOI Sau Ha	(Appointed on 1 September 2025)

4. DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the year was the company a party to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

THE BOYS' BRIGADE, HONG KONG
REPORT OF THE DIRECTORS (Continued)

5. DIRECTORS' INDEMNITIES

As permitted by the Articles of Association of the company, a director of the company may be indemnified out of the company's assets against any liability incurred by the director that attaches to such director in his or her company as a director of the company, to the extent permitted by law.

6. MANAGEMENT CONTRACTS

The company did not enter into any contract, other than the contracts of service with any director of the company or any person engaged in the full-time employment of the company, by which a person or entity undertakes the management and administration of the whole or any substantial part of any business of the company.

7. AUDITOR

The financial statements have been audited by Messrs. Evabest CPA Limited, Certified Public Accountants who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Messrs. Evabest CPA Limited, Certified Public Accountants as the company's auditor is to be proposed at the forthcoming annual general meeting.

On behalf of the board



FONG Wai Kin Alex
Chairman
Date: 10 JUN 2026

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE BOYS' BRIGADE, HONG KONG
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of The Boys' Brigade, Hong Kong ("the company") set out on pages 11 to 24, which comprise the statement of financial position as at 31 March 2026, and the income and expenditure account, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS for Private Entities Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE MEMBERS OF
THE BOYS' BRIGADE, HONG KONG
(Incorporated in Hong Kong with limited liability)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS for Private Entities Accounting Standard issued by the HKICPA and the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The report is made solely to you, as a body, in accordance with Section 405 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MEMBERS OF
THE BOYS' BRIGADE, HONG KONG
(Incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Tsoi Yuen Yung (practising certificate number: P07126).



Evabest CPA Limited
Certified Public Accountants
Hong Kong, 10 JUN 2026

THE BOYS' BRIGADE, HONG KONG
INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2026

	Note	2026 HK\$	2025 HK\$
Revenue			
Government subvention		12,183,212	12,255,955
Funds received		17,762,007	19,584,108
Programme income		22,639,274	28,687,452
Donation income		9,224,608	4,352,545
Bank interest income		277,069	494,112
Other income		<u>545,428</u>	<u>672,362</u>
	4	<u>62,631,598</u>	<u>66,046,534</u>
Expenditure			
Staff costs		26,398,356	29,544,078
Rent and rates		3,821,293	4,270,988
Other administrative expenses		3,985,632	3,794,632
Funding expenses		16,418,003	18,400,209
Programme and fund raising expenses		<u>8,400,707</u>	<u>11,604,238</u>
	5	<u>59,023,991</u>	<u>67,614,145</u>
Surplus/(Deficit) before tax		3,607,607	(1,567,611)
Income tax expense	8	<u>-</u>	<u>-</u>
Surplus/(Deficit) for the year		3,607,607	(1,567,611)
Other comprehensive income		<u>264,636</u>	<u>478,585</u>
Surplus/(Deficit) and total comprehensive income/(expenses) for the year		<u>3,872,243</u>	<u>(1,089,026)</u>

The notes on pages 15 to 24 are part of these financial statements.

THE BOYS' BRIGADE, HONG KONG
STATEMENT OF FINANCIAL POSITION
As at 31 March 2026

	Note	2026 HK\$	2025 HK\$
Non-Current Assets			
Intangible asset	9	-	-
Property, plant and equipment	10	<u>66,093</u>	<u>379,413</u>
		<u>66,093</u>	<u>379,413</u>
Current Assets			
Accounts receivable		4,669,151	3,704,213
Payment in advance		1,998,464	3,654,173
Deposits, prepayments and other receivables		945,048	1,658,562
Amounts due from a related company	11	401,385	378,385
Fixed deposit		18,800,000	17,000,000
Cash and bank balances		<u>29,873,158</u>	<u>28,397,362</u>
		<u>56,687,206</u>	<u>54,792,695</u>
Less : Current Liabilities			
Accounts payable and receipts in advance		7,739,894	8,126,541
Accrued expenses		3,374,214	3,294,794
Provision for long service payments		72,539	107,712
Bank overdraft, secured		-	<u>1,948,652</u>
		<u>11,186,647</u>	<u>13,477,699</u>
Net Current Assets		<u>45,500,559</u>	<u>41,314,996</u>
Net Assets		<u>45,566,652</u>	<u>41,694,409</u>
Reserves			
General fund		19,594,882	17,461,262
Youth development fund		2,925,892	2,925,892
Reserve from LSG (except provident fund)		1,642,414	1,518,047
Provident fund reserve		247,857	247,857
Reserve for new headquarters - general purpose		11,115,419	9,350,783
Reserve for new headquarters - use for renovation		3,780,372	3,780,372
Reserve for new headquarters - use for purchase of furniture and fixtures		486,466	486,466
Reserve for Taiwan Ministry		-	237,491
Reserve for HAB needy students		83,487	83,191
Operating reserve		5,603,048	5,603,048
Reserve for disaster relief		<u>86,815</u>	-
		<u>45,566,652</u>	<u>41,694,409</u>

The financial statements were approved and authorised for issue by the Board of Directors on 10 JUN 2026


FONG Wai Kin Alex
Chairman


HO Denny King-leung
Treasurer

The notes on pages 15 to 24 are part of these financial statements.

THE BOYS' BRIGADE, HONG KONG
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2026

	General development fund HK\$	Youth fund HK\$	Reserve from Lump Sum Grant (LSG) (except provident fund) HK\$	Provident fund reserve HK\$	Reserve for new headquarters - general purpose HK\$	Reserve for new headquarters - use for renovation HK\$	Reserve for new headquarters - purchase of furniture and fixtures HK\$	Reserve for Taiwan Ministry HK\$	Reserve for HAB students HK\$	Operating reserve HK\$	Reserve for disaster relief HK\$	Total HK\$
Balance at 31 March 2024	19,176,262	2,925,892	1,481,976	138,414	8,872,198	3,780,372	486,466	236,298	82,509	5,603,048	-	42,783,435
Deficit and total comprehensive expenses for the year	(1,610,409)	-	(55,864)	96,787	478,585	-	-	1,193	682	-	-	(1,089,026)
Transfer to provident fund reserve	(104,591)	-	91,935	12,656	-	-	-	-	-	-	-	-
Balance at 31 March 2025	17,461,262	2,925,892	1,518,047	247,857	9,350,783	3,780,372	486,466	237,491	83,191	5,603,048	-	41,694,409
Surplus and total comprehensive income for the year	3,482,654	-	124,367	-	264,636	-	-	13,475	296	-	(13,185)	3,872,243
Transfer from reserve for Taiwan Ministry	250,966	-	-	-	-	-	-	(250,966)	-	-	-	-
Transfer to reserve for new headquarters - general purpose	(1,500,000)	-	-	-	1,500,000	-	-	-	-	-	-	-
Transfer to reserve for disaster relief	(100,000)	-	-	-	-	-	-	-	-	-	100,000	-
Balance at 31 March 2026	19,594,882	2,925,892	1,642,414	247,857	11,115,419	3,780,372	486,466	-	83,487	5,603,048	86,815	45,566,652

The notes on pages 15 to 24 are part of these financial statements.

THE BOYS' BRIGADE, HONG KONG
STATEMENT OF CASH FLOWS
For the year ended 31 March 2026

	Note	2026 HK\$	2025 HK\$
Cash flows from operating activities			
Surplus/(Deficit) before tax		3,607,607	(1,567,611)
Adjustments for:-			
Bank interest income	4	(277,069)	(494,112)
Depreciation	5	377,764	358,893
Programme expenses		23,500	-
Sundry income		(7,833)	-
Provision for doubtful debt	5	300,000	-
Provision for long service payments		<u>(35,173)</u>	<u>(102,221)</u>
Operating surplus/(deficit) before working capital changes		3,988,796	(1,805,051)
Changes in working capital:			
(Increase)/Decrease in accounts receivable		(1,264,938)	1,968,042
Decrease/(Increase) in payment in advance		1,655,709	(1,711,499)
Decrease in deposits, prepayments and other receivables		713,514	1,194,301
Increase in amounts due from a related company		(23,000)	(324,385)
Decrease in accounts payable and receipts in advance		(386,647)	(6,838,703)
Increase in accrued expenses		<u>79,420</u>	<u>269,924</u>
Net cash generated from/(used) in operating activities		<u>4,762,854</u>	<u>(7,247,371)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(80,111)	(61,558)
Bank interest received		<u>541,705</u>	<u>972,697</u>
Net cash generated from investing activities		<u>461,594</u>	<u>911,139</u>
Cash flows from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		5,224,448	(6,336,232)
Cash and cash equivalents at beginning of the year		<u>43,448,710</u>	<u>49,784,942</u>
Cash and cash equivalents at end of the year		<u>48,673,158</u>	<u>43,448,710</u>
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		29,873,158	28,397,362
Fixed deposit		18,800,000	17,000,000
Bank overdraft, secured		-	(1,948,652)
		<u>48,673,158</u>	<u>43,448,710</u>

The notes on pages 15 to 24 are part of these financial statements.

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. General information

The Boys' Brigade, Hong Kong (the "company") was incorporated in Hong Kong as a non-private company limited by guarantee and is engaged in provision of integrated youth service and training activities for young people. The company's registered office and business address is located at G/F., Block A, Lok Man Sun Chuen, To Kwa Wan, Kowloon, Hong Kong.

The company is a member agency of the Community Chest and the Hong Kong Council of Social Service.

On 25 February 2009, the company was approved by the Inland Revenue Department to a charitable institution or trust of a public character, which is entitled to exemption from tax under Section 88 of the Inland Revenue Ordinance.

On 7 November 2012, the company was approved by the Companies Registry to change its name from "The Boys' Brigade, Hong Kong Limited" to "The Boys' Brigade, Hong Kong" of having been granted a licence to dispense with the word "Limited" in company name.

Under the provision of the company's Memorandum of Association, the liability of the members is limited and every member shall, in the event of the company being wound up, contribute such amount as may be required to meet the liabilities of the company but not exceeding HK\$10 each.

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with HKFRS for Private Entities Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Companies Ordinance. The financial statements have been prepared under the historical cost convention.

3. Significant accounting policies

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and with accounting standards issued by the HKICPA.

(a) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised over their estimated useful lives using straight-line method.

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2026

3. Significant accounting policies (Continued)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:-

Leasehold improvements	Lower of lease term or 20%
Furniture and fixtures	33.33%
Electrical equipment	33.33%
Computer equipment	33.33%

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(c) Accounts and other receivables

Accounts and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

(e) Accounts and other payables

Accounts and other payables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method.

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2026

3. Significant accounting policies (Continued)

(f) Impairment of non-financial assets

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Income recognition

Funds received and donations and other income is measured at the fair value of the consideration received or receivable. Income is recognised in profit or loss provided that it is probable that the economic benefits will flow to the company and when income and costs, if applicable, can be measured reliably, as follows:

- i) Government grants and subvention are recognised as income over the periods necessary to match them with related costs. Grants related to expense items are recognised in the same period in which those expenses are charged in the income and expenditure account and are deducted from the reporting related expenses.
- ii) Funds received are recognised as income on receipt. Donations-in-kind received are not recorded and reflected in the financial statements as it is usually not practicable or possible to obtain or determine their precise fair value.
- iii) Programme income is recognised in the period in which the relevant programme is completed.
- iv) Donation income is recognised as income upon receipt.
- v) Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- vi) Government subsidies that compensate the company for expenses incurred are recognised as income in the income and expenditure account on a systematic basis in the same periods in which the expenses are incurred.

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2026

3. Significant accounting policies (Continued)

(h) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to profit or loss on a straight-line basis over the lease terms.

(i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(j) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present value.

The company operates a Mandatory Provident Fund Scheme (the MPF scheme) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make compulsory contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

(k) Translation of foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Hong Kong dollars, which is the company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2026

3. Summary of significant accounting policies (Continued)

(I) Related parties

A related party is a person or entity that is related to the company that is preparing its financial statements (the "reporting entity").

(i) A person or a close member of that person's family is related to a company if that person:

- i) has control or joint control of the company;
- ii) has significant influence over the company; or
- iii) is a member of the key management personnel of the company or of a parent of the company.

(ii) An entity is related to a company if any of the following conditions applies:

- i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
- vi) The entity is controlled or jointly controlled by a person identified in (i).
- vii) A person identified in (i) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2026

4. Income

	Note	General fund - headquarters HK\$	General fund - school social work unit HK\$	Reserve for disaster relief HK\$	Reserve for new headquarters - general purpose HK\$	Reserve for HAB needy students HK\$	Reserve for Taiwan Ministry HK\$	2026 Total HK\$	2025 Total HK\$
Government subvention:									
Home Affairs Bureau (Headquarters)		5,075,173	-	-	-	-	-	5,075,173	5,178,748
Social Welfare Department (Others)		-	581,841	-	-	-	-	581,841	543,067
Social Welfare Department (School social work unit)		-	6,526,198	-	-	-	-	6,526,198	6,534,140
		<u>5,075,173</u>	<u>7,108,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,183,212</u>	<u>12,255,955</u>
Funds received:									
Community Chest		862,290	-	-	-	-	-	862,290	783,900
Stedfast Association, Hong Kong Limited		400,000	-	-	-	-	-	400,000	400,000
Education Bureau		-	-	-	-	-	-	-	-
School Based After School Learning		10,881,365	-	-	-	-	-	10,881,365	12,772,262
Home Affairs Bureau		-	-	-	-	-	-	-	-
Assistance Scheme to Needy Student Members		-	-	-	-	528,274	-	528,274	539,055
One off funding to support national education work in the community		175,000	-	-	-	-	-	175,000	175,000
Home and Youth Affairs Bureau		-	-	-	-	-	-	-	-
Thematic fund		2,683,230	-	-	-	-	-	2,683,230	2,087,728
Social Welfare Department		-	-	-	-	-	-	-	-
Children Development Fund (CDF) Projects		1,102,771	-	-	-	-	-	1,102,771	1,868,349
Social Welfare Department		-	-	-	-	-	-	-	-
Sir David Trench Fund		-	-	-	-	-	-	-	26,426
Standing Committee on Language		-	-	-	-	-	-	-	-
Education & Research Education Bureau		-	-	-	-	-	-	-	-
Project of Adventure Time - Word Detective		1,129,077	-	-	-	-	-	1,129,077	931,388
		<u>17,233,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>528,274</u>	<u>-</u>	<u>17,762,007</u>	<u>19,584,108</u>
Programme income:									
Uniformed Group Programme and Training		1,919,606	-	-	-	-	-	1,919,606	2,537,034
Non-Uniformed Group Programme and Training		20,719,668	-	-	-	-	-	20,719,668	26,150,418
		<u>22,639,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,639,274</u>	<u>28,687,452</u>
Donation income:									
Donation income		6,504,449	-	-	-	-	-	6,504,449	2,092,020
Donation income from other fund raising		25,699	-	69,699	-	-	-	95,398	36,851
Donation income from flag day	6	2,537,211	-	-	-	-	-	2,537,211	1,916,801
Donation income from Anchor Run		87,550	-	-	-	-	-	87,550	306,873
		<u>9,154,909</u>	<u>-</u>	<u>69,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,224,608</u>	<u>4,352,545</u>
Bank interest income:									
Bank interest income		275,237	1,223	-	-	296	313	277,069	494,112
Other income:									
Company annual subscription		477,000	-	-	-	-	-	477,000	442,800
Other income		55,266	-	-	-	-	13,162	68,428	229,562
		<u>532,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,162</u>	<u>545,428</u>	<u>672,362</u>
		<u>54,910,592</u>	<u>7,109,262</u>	<u>69,699</u>	<u>-</u>	<u>528,570</u>	<u>13,475</u>	<u>62,631,598</u>	<u>66,046,534</u>

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2026

5. Expenditure

Note	General fund - headquarters HK\$	General fund - school social work unit HK\$	Reserve for disaster relief HK\$	Reserve for new headquarters - general purpose HK\$	Reserve for HAB needy students HK\$	Reserve for Taiwan Ministry HK\$	2026 Total HK\$	2025 Total HK\$
Staff costs:								
Staff salaries and allowances	18,450,830	6,272,796	-	-	-	-	24,723,626	27,822,156
Provident fund / MPF contribution	1,100,617	517,689	-	-	-	-	1,618,306	1,721,922
Provision for long service payment	56,424	-	-	-	-	-	56,424	-
	<u>19,607,871</u>	<u>6,790,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,398,356</u>	<u>29,544,078</u>
Rent and rates:								
Rent and rates	3,774,344	46,949	-	-	-	-	3,821,293	4,270,988
Other administrative expenses:								
Advertising, promotion and administrative expenses	831,223	26,594	-	-	-	-	857,817	816,583
Auditor's remuneration	38,000	-	-	-	-	-	38,000	35,000
Bank charges	19,954	800	-	-	-	-	20,754	22,267
Building management fee	280,231	-	-	-	-	-	280,231	280,231
Depreciation	377,764	-	-	-	-	-	377,764	358,893
Electricity, water, internet, telephone and fax	500,772	32,873	-	-	-	-	533,645	576,185
Insurance	357,853	35,884	-	-	-	-	393,737	354,975
Legal and professional fee	9,105	-	-	-	-	-	9,105	21,975
Membership fee	40,516	-	-	-	-	-	40,516	36,305
Provision for doubtful debt	300,000	-	-	-	-	-	300,000	-
Purchase store and equipment	-	5,967	-	-	-	-	5,967	89,839
Repairs, maintenance and renovation	545,367	2,160	-	-	-	-	547,527	656,583
Staff development and welfare	71,928	15,015	-	-	-	-	86,943	254,432
Sundry expenses	331,647	3,575	-	-	-	-	335,222	120,449
Travelling and transportation	155,452	2,952	-	-	-	-	158,404	170,915
	<u>3,859,812</u>	<u>125,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,985,632</u>	<u>3,794,632</u>
Funding expenses:								
Education Bureau								
School Based After School Learning	10,881,365	-	-	-	-	-	10,881,365	12,772,262
Home Affairs Bureau								
Assistance Scheme to Needy Student Members	-	-	-	-	528,274	-	528,274	539,055
One off funding to support national education work in the community	176,234	-	-	-	-	-	176,234	175,000
Home and Youth Affairs Bureau								
Thematic fund	2,683,230	-	-	-	-	-	2,683,230	2,087,728
Social Welfare Department								
Children Development Fund (CDF) Projects	1,102,771	-	-	-	-	-	1,102,771	1,868,349
Social Welfare Department								
Sir David Trench Fund	-	-	-	-	-	-	-	26,426
Standing Committee on Language								
Education & Research Education Bureau								
Project of Adventure Time - Word Detective	1,046,129	-	-	-	-	-	1,046,129	931,388
	<u>15,889,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>528,274</u>	<u>-</u>	<u>16,418,003</u>	<u>18,400,208</u>
Programme expenses:								
Uniformed Group Programme and Training	294,600	-	-	-	-	-	294,600	2,031,955
Non-Uniformed Group Programme and Training	7,688,730	21,641	-	-	-	-	7,710,371	9,196,691
	<u>7,983,330</u>	<u>21,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,004,971</u>	<u>11,228,646</u>
Fund Raising expenses:								
Expenditure for fund raising	42,717	-	-	-	-	-	42,717	26,874
Expenditure for other fund raising	-	-	82,884	-	-	-	82,884	-
Expenditure for flag day	253,721	-	-	-	-	-	253,721	191,200
Expenditure for Anchor Run	16,414	-	-	-	-	-	16,414	157,519
	<u>312,852</u>	<u>-</u>	<u>82,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,736</u>	<u>375,593</u>
	<u>51,427,938</u>	<u>6,984,895</u>	<u>82,884</u>	<u>-</u>	<u>528,274</u>	<u>-</u>	<u>59,023,991</u>	<u>67,614,145</u>

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2026

6. Income and expenditure of flag day fund-raising activities

	2026 HK\$	2025 HK\$
	(FD/T006/2025)	(FD/T027/2024)
Donation income	2,537,211	1,953,652
Expenditure	<u>(253,721)</u>	<u>(191,200)</u>
Net donation income	<u>2,283,490</u>	<u>1,762,452</u>

For the funds raised in the flag day, 70% of net income had been used for uniformed group service and remaining 30% had been used for administrative support for the years ended 31 March 2026.

7. Directors' remuneration

According to the clause 45 under the company's Articles of Association, all directors are not allowed for drawing salary and allowance.

8. Income tax expense

No provision for Hong Kong profits tax has been made as the company is exempted under Section 88 of the Hong Kong Inland Revenue Ordinance.

9. Intangible assets

	Membership system HK\$
Cost:	
At 1 April 2025 and 31 March 2026	444,640
Accumulated amortisation:	
At 1 April 2025 and 31 March 2026	<u>(444,640)</u>
Net carrying amount:	
At 31 March 2026	<u>-</u>
At 31 March 2025	<u>-</u>

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2026

10. Property, plant and equipment

	Leasehold improvement HK\$	Furniture and fixtures HK\$	Electrical equipment HK\$	Computer equipment HK\$	Total HK\$
Cost:					
At 1 April 2025	3,448,637	94,297	164,756	144,064	3,851,754
Additions	-	-	13,293	66,818	80,111
Written off	-	-	(23,500)	-	(23,500)
At 31 March 2026	<u>3,448,637</u>	<u>94,297</u>	<u>154,549</u>	<u>210,882</u>	<u>3,908,365</u>
Accumulated depreciation:					
At 1 April 2025	3,148,643	87,704	124,297	111,697	3,472,341
Charge for the year	299,994	3,986	23,944	49,840	377,764
Written back	-	-	(7,833)	-	(7,833)
At 31 March 2026	<u>3,448,637</u>	<u>91,690</u>	<u>140,408</u>	<u>161,537</u>	<u>3,842,272</u>
Net carrying amount:					
At 31 March 2026	<u>-</u>	<u>2,607</u>	<u>14,141</u>	<u>49,345</u>	<u>66,093</u>
At 31 March 2025	<u>299,994</u>	<u>6,593</u>	<u>40,459</u>	<u>32,367</u>	<u>379,413</u>

11. Amounts due from a related company

Name of related company	:	Fong Yuen Study Hall - Experiential Learning Centre Limited
Connected with	:	CHIU Frong, NG Suk Ling and WU Ting Pang
Terms of repayment	:	No fixed repayment term
Interest rate	:	Interest free
Security	:	Unsecured
Amounts outstanding at 31 March 2026	:	HK\$401,385
Amounts outstanding at 31 March 2025	:	HK\$378,385
Maximum balance outstanding during the year	:	HK\$401,385

12. Lease commitments

At 31 March 2026, the company had future aggregate minimum commitments under non-cancellable operating leases in respect of land and buildings as follows:-

	2026 HK\$	2025 HK\$
Within one year	946,950	2,982,300
In the second to fifth years	52,700	-
More than five years	-	-
	<u>999,650</u>	<u>2,982,300</u>

THE BOYS' BRIGADE, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2026

13. Related party transactions

In addition to the transaction/information disclosed elsewhere in these financial statements, during the year, the company had the following material transactions with its related parties:

	2026 HK\$	2025 HK\$
<u>Key management personnel</u>		
Salaries	1,221,300	1,221,300
Provident fund/MPF contribution	122,130	122,130
<u>Related company</u>		
Stedfast Association, Hong Kong Limited		
- Funds and donations received	400,000	400,000
- Accrued expenses	<u>145,361</u>	<u>132,654</u>

Mr. WU Ting Pang, Mr. WAN Kwong Chi, and Mr. CHAN Tak Cheong, the company's directors, are also the directors of Stedfast Association, Hong Kong Limited.

All the related party transactions were made in accordance with the terms authorised by the Board of Directors.

14. Contingent liabilities

At the end of the reporting period, the company was involved in a dispute regarding government rents for Noah's Ark for the period from 1 July 2022 to 31 December 2024 and Ma Wan Event Center for the period from 1 March 2019 to 31 December 2024 amounting to HK\$20,746 and HK\$401,850 respectively. The company is currently in negotiations with the lessor concerning the liability for these charges, and the dispute remains unresolved as at the reporting date.

In the opinion of the directors, it is not probable that an outflow of economic resources will be required to settle this potential obligation. Accordingly, no provision for this matter has been made in the financial statements. As the dispute is ongoing, its ultimate outcome and any potential financial impact cannot be reliably determined at this stage.