

THE BOYS' BRIGADE, HONG KONG
香港基督少年軍

Reports and financial statements

For the year ended 31 March 2013

SIMON Y. P. CHAN & CO.

Certified Public Accountants

陳以波會計師事務所

HONG KONG

The Boys' Brigade, Hong Kong

香港基督少年軍

Reports and financial statements

For the year ended 31 March 2013

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(Expressed in Hong Kong dollars)

The Boys' Brigade, Hong Kong

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2013.

Change of Company's name

By a special resolution passed on 7 November 2012, the Company's name was changed from The Boys' Brigade, Hong Kong Limited to The Boys' Brigade, Hong Kong of having been granted a Licence to omit the word "Limited".

Principal activities

The principal activities of the Company during the course of the year were providing integrated youth service and training activities for young people.

Results and reserves

The surplus of the Company for the year ended 31 March 2013 and the state of the Company's affairs as at that date are set out in the financial statements on pages 4 to 16.

Movements in reserves during the year are set out in the statement of changes in equity in the financial statements on page 6.

Fixed assets

Details of movements in property, plant and equipment of the Company during the year are set out in note 7 to the financial statements.

Directors

The directors of the Company during the year and up to the date of this report are:

Mr. Cheung Kai Sum	
Mr. Cheung Lit Man	
Mr. Fung Shing Wah	
Mr. King Sik Tai, Horace	
Mr. Kong Yiu Lung	
Madam Kong Chun Wah	
Mr. Lee Chun Kwong	
Mr. Poon Heung Keung, Allan	
Mr. Siu Chi Kong	
Mr. Tam Wan Chung, Stephen	
Mr. Wong Sing Heung	
Madam Wong Wai Chi	
Mr. Yeung Kin Keung, William	
Mr. Wu Ting Pang	(Appointed on 1 September 2012)
Mr. Yun Ching Shun, Christopher	(Appointed on 1 September 2012)
Madam Lam Wai Yin	(Resigned on 1 September 2012)
Mr. Lam Wai Yiu	(Resigned on 1 September 2012)

In accordance with the Company's Article 42 of Association, all directors will continue in office for the three years from the date of appointment and are not subject to rotation or retirement at the annual general meetings.

The Boys' Brigade, Hong Kong

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Other matters

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Auditors

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Simon Y. P. Chan & Co. as auditor of the Company.

On behalf of the Board



Mr. Cheung Lit Man, Vice-Chairperson
Hong Kong, 10 June 2013



SIMON Y. P. CHAN & CO.
Certified Public Accountants
陳以波會計師事務所

Independent auditors' report to the members of

The Boys' Brigade, Hong Kong (the "Company")

香港基督少年軍

(incorporated in Hong Kong with limited by guarantee)

We have audited the financial statements of The Boys' Brigade, Hong Kong set out on pages 4 to 16, which comprise the statement of financial position as at 31 March 2013, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong 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. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its results and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Certified Public Accountants (Practising)
Hong Kong, 10 June 2013

The Boys' Brigade, Hong Kong

香港基督少年軍

Income and expenditure account
For the year ended 31 March 2013

		<u>2013</u>	Restated
	Notes	HK\$	2012
			HK\$
Continuing operations			
Income			
	3	6,546,557	6,404,333
Government subvention		5,408,075	2,944,217
Funds received		8,676,270	6,244,399
Program income		1,043,972	1,056,296
Donation income		2,542,036	2,139,694
Fund raised from flag day	14	10,676	396
Bank interest income		332,413	321,671
Other income		<u>24,559,999</u>	<u>19,111,006</u>
Expenditure			
	4	11,734,613	10,576,833
Staff costs		579,535	802,731
Rent and rates		2,245,384	2,211,599
Other administrative expenses		4,343,120	2,132,636
Funding expenses		3,849,246	2,790,968
Program expenses		239,583	213,222
Flag day expenses	14	<u>22,991,481</u>	<u>18,727,989</u>
Surplus before tax			
		1,568,518	383,017
Income tax expense		<u>-</u>	<u>-</u>
Surplus for the year			
		<u>1,568,518</u>	<u>383,017</u>

The notes on pages 8 to 16 form parts of these financial statements.

The Boys' Brigade, Hong Kong


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Statement of financial position as at 31 March 2013

	Notes	<u>2013</u> HK\$	<u>2012</u> HK\$
Assets			
Non-current assets			
Property, plant and equipment	7	832,916	1,354,144
Construction in progress	8	197,000	49,500
		<u>1,029,916</u>	<u>1,403,644</u>
Current assets			
Accounts receivables		2,798,503	813,388
Deposits and prepayments		402,681	252,406
Subvention surplus receivable		378,119	250,644
Bank balances and cash	9	12,300,021	10,125,006
		<u>15,879,324</u>	<u>11,441,444</u>
Current liabilities			
Accounts payables and accruals		6,600,543	4,104,909
Net current assets		<u>9,278,781</u>	<u>7,336,535</u>
Net assets		<u>10,308,697</u>	<u>8,740,179</u>
Equity			
General fund		1,609,556	1,574,931
Youth development fund		2,914,845	2,908,814
Reserve from LSG (except provident fund)		786,503	739,047
Provident fund reserve		375,632	349,159
Other reserves		4,622,161	3,168,228
Total equity		<u>10,308,697</u>	<u>8,740,179</u>

The financial statements on pages 4 to 16 were approved and authorised for issue by the Board of Directors on 10 June 2013 and are signed on its behalf by:



Chairperson

Treasurer

The notes on pages 8 to 16 form parts of these financial statements.

The Boys' Brigade, Hong Kong
香港基督少年軍

Statement of changes in equity
For the year ended 31 March 2013

	General fund	Youth development fund	Reserve from Lump Sum Grant (LSG) (except provident fund)	Provident fund reserve	Reserve for youth square	Reserve for new headquarters - use for renovation	Reserve for new headquarters - use for purchase of furniture and fixtures	TOTAL
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 1 April 2011	2,539,582	2,907,812	625,037	201,098	1,180,043	903,590	-	8,357,162
Surplus for the year	(502,580)	1,002	-	-	(466,936)	1,095,310	256,221	383,017
Amount set aside for new headquarters premise fund	(200,000)	-	-	-	-	200,000	-	-
Transfer from (to) reserve from LSG (except provident fund)	(114,010)	-	114,010	-	-	-	-	-
Transfer from (to) provident fund reserve	(148,061)	-	-	148,061	-	-	-	-
Balance at 31 March 2012	1,574,931	2,908,814	739,047	349,159	713,107	2,198,900	256,221	8,740,179
Balance at 1 April 2012	1,574,931	2,908,814	739,047	349,159	713,107	2,198,900	256,221	8,740,179
Surplus for the year	308,554	6,031	-	-	(357,784)	1,381,472	230,245	1,568,518
Amount set aside for new headquarters premise fund	(200,000)	-	-	-	-	200,000	-	-
Transfer from (to) reserve from LSG (except provident fund)	(47,456)	-	47,456	-	-	-	-	-
Transfer from (to) provident fund reserve	(26,473)	-	-	26,473	-	-	-	-
Balance at 31 March 2013	1,609,556	2,914,845	786,503	375,632	355,323	3,780,372	486,466	10,308,697

The notes on pages 8 to 16 form parts of these financial statements.

The Boys' Brigade, Hong Kong

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Statement of cash flows

For the year ended 31 March 2013

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Operating activities		
Cash receipts in general fund	19,847,398	17,636,443
Cash receipts in youth development fund	6,031	1,002
Cash receipts in other reserves	2,302,453	1,351,531
Cash paid to employees and suppliers in general fund	<u>(19,609,013)</u>	<u>(16,030,078)</u>
Net cash generated from operating activities	<u>2,546,869</u>	<u>2,958,898</u>
Investing activities		
Payments for property, plant and equipment	<u>(224,354)</u>	<u>(168,231)</u>
Payments for construction in progress	<u>(147,500)</u>	<u>(49,500)</u>
Net cash used in investing activities	<u>(371,854)</u>	<u>(217,731)</u>
Net increase in cash and cash equivalents	2,175,015	2,741,167
Cash and cash equivalents at the beginning of the year	<u>10,125,006</u>	<u>7,383,839</u>
Cash and cash equivalents at the end of the year	<u><u>12,300,021</u></u>	<u><u>10,125,006</u></u>

The notes on pages 8 to 16 form parts of these financial statements.

The Boys' Brigade, Hong Kong

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Notes to the financial statements **For the year ended 31 March 2013**

1. General information

The Boys' Brigade, Hong Kong is a non-private company limited by guarantee and not having a share capital which is incorporated and domiciled in Hong Kong. The registered address of the Company is located at Ground Floor, Block A, Lok Man Sun Chuen, Kau Pui Loong Road, Kowloon, Hong Kong.

The Company is engaged in providing integrated youth service and training activities for young people.

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 be 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 omit the word "Limited".

Under the provisions of the Company's Memorandum and Articles 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.

The financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

2. Basis of preparation and accounting policies

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared on the historical cost basis.

The principal accounting policies are set out below:

Abbreviation of expressions

In these financial statements and the notes thereon, HK\$ is the abbreviation of the Hong Kong dollar, the lawful currency of Hong Kong Special Administrative Region.

Income recognition

Funds received and donations and other income is measured at the fair value of the consideration received or receivable and represents fee income. Provided that it is probable that the economic benefits will flow to the Company and when the 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 on those expenses are charged in the income and expenditure account and are deducted in reporting the related expense.
- (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) Program income is recognised in the period in which the relevant program 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.

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2. Basis of preparation and accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in profit or loss.

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 1/3%
Electrical equipment	33 1/3%
Computer equipment	33 1/3%
Motor vehicles	20 %

Construction in progress

Construction in progress is carried at the lower of cost and net realisable value. No depreciation is provided.

Impairment of assets

Impairment of accounts receivable and other financial assets

Accounts receivable that is stated at cost or amortised cost is reviewed at the end of the reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Company about one or more of the following loss events:

- significant financial difficulty of the accounts receivable;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it is becoming probable that the accounts receivable will enter bankruptcy or other financial re-organisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the accounts receivable.

If any such evidence exists, any impairment loss is determined and recognised. For accounts receivable and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through income and expenditure account. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior periods.

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2. Basis of preparation and accounting policies (continued)

Impairment of property, plant and equipment

Internal and external sources of information are reviewed at the end of the reporting period to identify indications that property, plant and equipment and construction in progress may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

An impairment loss is recognised as an expense whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods. Reversals of impairment losses are credited to income the period in which the reversals are recognised.

Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased assets to the lessee. All other leases are classified as operating leases.

As lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounts receivables

Accounts 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 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.

Accounts and other payables

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

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2. Basis of preparation and accounting policies (continued)

Employee benefit obligations

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

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in banks, demand deposits and short-term highly liquid investments in money market instruments, net of outstanding bank overdraft. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (i.e. the Company).

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over 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;
- (b) An entity is related to the 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. If the reporting entity is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(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).

3. Income

	General fund- headquarters	General fund- School social work unit	Youth development fund	Reserve for youth square	New headquarters- use for renovation	New headquarters- use for purchase of furniture & fixtures	Total 2013	Restated 2012
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Government subvention								
Home Affairs Bureau (Headquarters)	2,420,000	-	-	-	-	-	2,420,000	2,120,000
Social Welfare Department (Others)	-	29,723	-	-	-	-	29,723	182,792
Social Welfare Department (School social work unit)	-	4,096,834	-	-	-	-	4,096,834	4,101,541
	2,420,000	4,126,557	-	-	-	-	6,546,557	6,404,333
Funds received								
Community Chest	678,540	-	-	-	-	-	678,540	659,550
Stedfast Association, Hong Kong Limited	300,000	-	-	-	-	-	300,000	200,000
ACCA Charitable Foundation Limited (Sharity)	-	-	-	-	-	-	-	107,958
Committee on the Promotion of Civic Education	69,577	-	-	-	-	-	69,577	-
Education Bureau (SB after school learning)	231,126	-	-	-	-	-	231,126	-
Environment and Conservation Fund Secretariat	-	-	-	-	-	-	-	-
Environment & Conservation Fund	1,856,175	-	-	-	-	-	1,856,175	849,776
Home Affairs Department	-	-	-	-	-	-	-	-
Enhancing Self-Reliance Through District Partnership Programme (ESR)	827,502	-	-	-	-	-	827,502	5,677
Home Affairs Bureau	-	-	-	-	-	-	-	-
Committee Participation Scheme	91,869	-	-	-	-	-	91,869	-
Assistance Scheme to needy student members	200,000	-	-	-	-	-	200,000	144,000
Thematic Fund	912,100	-	-	-	-	-	912,100	861,763
Exchange and service program in Yangshan	70,288	-	-	-	-	-	70,288	-
HSBC (The Sir Robert Ho Tung Charitable Fund)	-	-	-	-	-	-	-	69,482
Operation Santa Claus (Sharity)	137,500	-	-	-	-	-	137,500	-
Providence Foundation (Sharity)	4,997	-	-	-	-	-	4,997	-
The Hong Kong Chinese Christian Churches Union (Mission Matching Fund)	28,401	-	-	-	-	-	28,401	43,353
Others	-	-	-	-	-	-	-	2,658
	5,408,075	-	-	-	-	-	5,408,075	2,944,217
Program income								
Uniformed group training	445,726	-	-	-	-	-	445,726	499,680
Non-uniformed group training	8,188,579	-	35,175	6,790	-	-	8,230,544	5,744,719
	8,634,305	-	35,175	6,790	-	-	8,676,270	6,244,399
Donation income								
Donation income	1,043,972	-	-	-	-	-	1,043,972	1,056,296
	1,043,972	-	-	-	-	-	1,043,972	1,056,296
Fund raised from flag day								
Fund raised from flag day	762,611	-	-	-	1,525,222	254,203	2,542,036	2,139,694
	762,611	-	-	-	1,525,222	254,203	2,542,036	2,139,694
Bank interest income								
Bank interest income	10,676	-	-	-	-	-	10,676	396
	10,676	-	-	-	-	-	10,676	396
Other income								
Other income	332,413	-	-	-	-	-	332,413	321,671
	332,413	-	-	-	-	-	332,413	321,671
	18,612,052	4,126,557	35,175	6,790	1,525,222	254,203	24,559,999	19,111,006

4. Expenditure

	General fund- headquarters	General fund- School social work unit	Youth development fund	Reserve for youth square	New headquarters- use for renovation	New headquarters- use for purchase of furniture & fixtures	Total 2013	Restated 2012
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Staff costs								
Staff salaries and allowances	7,022,205	3,721,531	-	316,560	-	-	11,060,296	9,858,762
Provident fund contribution	422,835	220,978	-	14,501	-	-	658,314	583,979
Long service payment provision	16,003	-	-	-	-	-	16,003	134,092
	7,461,043	3,942,509	-	331,061	-	-	11,734,613	10,576,833
Rent and rates								
Rent and rates	539,414	29,723	-	10,398	-	-	579,535	802,731
	539,414	29,723	-	10,398	-	-	579,535	802,731
Other administrative expenses								
Advertising & promotion	35,153	5,549	-	-	-	-	40,702	39,415
Bank charges	17,943	600	-	-	-	-	18,543	9,098
Building management fee	444,191	-	-	1,332	-	-	445,523	423,159
Cleaning and sanitation	5,092	1,881	-	-	-	-	6,973	11,376
Computer consumable	-	2,744	-	-	-	-	2,744	-
Depreciation	745,582	-	-	-	-	-	745,582	833,853
Electricity, water, telephone and fax	188,833	22,293	-	11,500	-	-	222,626	216,233
Insurance	101,926	33,815	-	3,455	-	-	139,196	127,920
IT supporting service	69,932	26,725	-	-	-	-	96,657	48,645
Membership fee	26,136	-	-	-	-	-	26,136	29,380
Newspaper & periodicals	-	1,485	-	-	-	-	1,485	1,609
Postage and courier charges	22,781	60	-	-	-	-	22,841	30,507
Printing & stationery	96,643	9,423	-	-	-	-	106,066	100,353
Reference materials	-	457	-	-	-	-	457	1,813
Repairs and maintenance	83,177	5,649	-	-	-	-	88,826	82,121
Secretarial fee	105	-	-	-	-	-	105	405
Souvenir	28,981	3,150	-	-	-	-	32,131	47,829
Staff welfare	85,910	22,853	-	-	-	-	108,763	69,826
Storage fee	5,979	-	-	-	-	-	5,979	5,328
Sundry expenses	26,253	-	-	-	-	-	26,253	36,550
Travelling and transportation	98,827	2,091	-	6,878	-	-	107,796	96,179
	2,083,444	138,775	-	23,165	-	-	2,245,384	2,211,599
Funding expenses								
ACCA Charitable Foundation Limited (Sharity)	-	-	-	-	-	-	-	107,958
Committee on the Promotion of Civic Education	69,577	-	-	-	-	-	69,577	-
Education Bureau (SB after school learning)	231,126	-	-	-	-	-	231,126	-
Environment and Conservation Fund Secretariat	-	-	-	-	-	-	-	-
Environment & Conservation Fund	1,856,175	-	-	-	-	-	1,856,175	849,776
Home Affairs Department								
Enhancing Self-Reliance Throught District Partnership Programme (ESR)	827,502	-	-	-	-	-	827,502	5,677
Home Affairs Bureau								
Assistance Scheme to needy student members	200,000	-	-	-	-	-	200,000	144,000
Thematic Fund	912,100	-	-	-	-	-	912,100	861,763
Exchange and service program in Yangshan	70,288	-	-	-	-	-	70,288	-
HSBC (The Sir Robert Ho Tung Charitable Fund)	-	-	-	-	-	-	-	69,482
Operation Santa Claus (Sharity)	137,500	-	-	-	-	-	137,500	-
Providence Foundation (Sharity)	4,997	-	-	-	-	-	4,997	-
The Hong Kong Chinese Christian Churches Union (Mission Matching Fund)	28,401	-	-	-	-	-	28,401	43,353
Social Welfare Department clawed back	5,454	-	-	-	-	-	5,454	47,969
Others	-	-	-	-	-	-	-	2,658
	4,343,120	-	-	-	-	-	4,343,120	2,132,636
Program expenses								
Uniformed group training	238,914	-	-	-	-	-	238,914	190,252
Non-uniformed group training	3,571,517	9,721	29,144	(50)	-	-	3,610,332	2,600,716
	3,810,431	9,721	29,144	(50)	-	-	3,849,246	2,790,968
Flag day expenses								
Flag day expenses	71,875	-	-	-	143,750	23,958	239,583	213,222
	71,875	-	-	-	143,750	23,958	239,583	213,222
	18,309,327	4,120,728	29,144	364,574	143,750	23,958	22,991,481	18,727,989

The Company has no need to pay any auditors' remuneration for both the years.

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5. Income tax expense

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

6. Directors' remuneration

During the year ended 31 March 2013 and 31 March 2012, no amounts had been paid in respect of directors' emoluments, directors' or past directors' pensions or for any compensation to directors' or past directors' in respect of loss of office.

7. Property, plant and equipment

	Leasehold improvements	Furniture and fixtures	Electrical equipment	Computer equipment	Motor vehicles	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Cost						
At 1 April 2012	3,240,889	239,675	153,684	810,649	-	4,444,897
Additions	-	35,600	-	-	188,754	224,354
At 31 March 2013	3,240,889	275,275	153,684	810,649	188,754	4,669,251
Accumulated depreciation						
At 1 April 2012	2,020,138	211,160	149,360	710,095	-	3,090,753
Charge for the year	579,182	38,695	4,324	85,630	37,751	745,582
At 31 March 2013	2,599,320	249,855	153,684	795,725	37,751	3,836,335
Net book value						
At 31 March 2013	641,569	25,420	-	14,924	151,003	832,916
At 31 March 2012	1,220,751	28,515	4,324	100,554	-	1,354,144

8. Construction in progress

	2013	2012
	HK\$	HK\$
Cost		
At the beginning of the year	49,500	-
Additions	147,500	49,500
At the end of the year	197,000	49,500

9. Bank balances and cash

	2013	2012
	HK\$	HK\$
Headquarters	11,142,891	8,998,389
School social work unit	1,157,130	1,126,617
	12,300,021	10,125,006

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10. Capital commitments

At the end of the reporting period, the Company had the following capital commitments not provided for in the financial statements:

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Contracted but not provided for Construction in progress (New Headquarters)	98,000	281,000
Authorised but not contract for Construction in progress (New Headquarters)	<u>120,000,000</u>	<u>120,000,000</u>
	<u>120,098,000</u>	<u>120,281,000</u>

11. Operating lease commitments

The Company as lessee

The Company rents four premises under operating leases.

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Minimum lease payments under operating leases recognised as an expense during the year		
- Premises	<u>559,094</u>	<u>741,244</u>

At the end of the reporting period, the Company had commitments for minimum lease payments under non-cancellable operating leases in respect of rented premises, which fall due as follows:

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Within one year	1,036,946	966,818
In the second to fifth years inclusive	<u>1,440,655</u>	<u>2,125,601</u>
	<u>2,477,601</u>	<u>3,092,419</u>

12. Government grants and subvention

Government subvention of HK\$6,546,557 (2012:HK\$6,404,333 include amount to an associate) has been received in the current year towards Lump Sum Grant and Home Affairs Bureau. The amounts have been included in income for the year.

13. Related party transactions

During the year, the Company had entered into transactions with Stedfast Association, Hong Kong Limited:

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Related company		
Funds and donations received	<u>360,488</u>	<u>312,868</u>

Rev. Kong Yiu Lung and Madam Kong Chun Wah (2012: Rev Kong Yiu Lung, Rev Wong Sing Heung, Mr. Chan To Wai, Patrick and Mr. Lam Wai Yiu), the Company's directors, are also the directors of Stedfast Association, Hong Kong Limited.

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

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14. Fund raised from flag day

	<u>2013</u>	<u>2012</u>
	HK\$	HK\$
Income	2,542,036	2,139,694
Expenditure	<u>(239,583)</u>	<u>(213,222)</u>
Net income	<u><u>2,302,453</u></u>	<u><u>1,926,472</u></u>

		<u>2013</u>	<u>2012</u>	
		HK\$	HK\$	<u>Use of Funding</u>
Use for headquarters office & administrative expenditures	30% (2012: 30%)	690,736	577,941	Used in 2012/13 (2012: Used in 2011/12)
Reserve for new headquarter premises	60%			
A. Use for renovation	(2012: 56.70%)	1,381,472	1,092,310	Reserve for future
B. Use for purchase of furniture & equipment	10% (2012: 13.30%)	<u>230,245</u>	<u>256,221</u>	Reserve for future
		<u><u>2,302,453</u></u>	<u><u>1,926,472</u></u>	

15. Recognition to income and expenditure for the restatement of last year's figures

	HK\$
Income:	
Balance as per last year's audited financial statement	17,512,303
Add: Fund raised from flag day (70% gross income)	1,497,786
Add: 30% Flag day expense net off with income	63,967
Add: Youth development fund income	33,950
Add: Donation income for new headquarters - use for renovation	<u>3,000</u>
Restated balance as per current year	<u><u>19,111,006</u></u>
Expenditures:	
Balance as per last year's audited financial statement	18,481,819
Add: Flag day expense (100% gross expense)	213,222
Add: Youth development fund expense	<u>32,948</u>
Restated balance as per current year	<u><u>18,727,989</u></u>
Restated surplus	<u><u>383,017</u></u>

