

**THE BOYS' BRIGADE, HONG KONG**  
香港基督少年軍

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**



# **THE BOYS' BRIGADE, HONG KONG**

## **REPORT OF THE DIRECTORS**

The directors submit their annual report together with the audited financial statements for the year ended 31 March 2014.

### **PRINCIPAL ACTIVITIES**

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

### **RESULTS**

The results of the company for the year ended 31 March 2014 and the state of the company's affairs as at that date are set out in the financial statements on pages 5 to 18.

### **RESERVES**

Movements in reserves during the year are set out in the statement of changes in equity in the financial statements on page 7.

### **PROPERTY, PLANT AND EQUIPMENT**

Details of movements in property, plant and equipment of the company during the year are set out in note 8 to the financial statements.

### **DIRECTORS**

The directors of the company during the year and up to the date of this report were:-

CHEUNG Kai Sum	
CHEUNG Lit Man	
FUNG Shing Wah	
KING Sik Tai, Horace	
KONG Yiu Lung	
LEE Chun Kwong	
SIU Chi Kong	
TAM Wan Chung, Stephen	
WONG Sing Heung	
WONG Wai Chi	
WU Ting Pang	
YUN Ching Shun, Christopher	
FUNG Siu Bun	(Appointed on 1 September 2013)
LAM Wang Kei	(Appointed on 1 September 2013)
KONG Chun Wah	(Resigned on 1 September 2013)
POON Heung Keung, Allan	(Resigned on 1 September 2013)
YEUNG Kin Keung, William	(Resigned on 18 March 2014)

# **THE BOYS' BRIGADE, HONG KONG**

## **REPORT OF THE DIRECTORS (CONTINUED)**

### **DIRECTORS (CONTINUED)**

In accordance with Article 42 of the company's Articles 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.

### **DIRECTORS' INTERESTS**

Apart from the transactions as disclosed in note 11 to the financial statements, no contracts of significance in relation to the company's business to which the company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at end of the year or at any time during the year.

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.

### **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

### **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**

During the year, Messrs Simon Y.P. Chan & Co., Certified Public Accountants resigned and Messrs Roger Kam & Co., Certified Public Accountants (Practising) were appointed as auditors of the company.

The financial statements have been audited by Messrs Roger Kam & Co., Certified Public Accountants (Practising), who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the board



Chairman  
Hong Kong, 11 June 2014

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

We have audited the financial statements of THE BOYS' BRIGADE, HONG KONG ("the company") set out on pages 5 to 18, which comprise the statement of financial position as at 31 March 2014, and the income and expenditure account, statement of changes in equity and the 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 predecessor Hong Kong Companies Ordinance, Cap. 32, 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.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the predecessor Hong Kong Companies Ordinance, Cap. 32, 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 auditor's judgment, 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 auditor considers 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.

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

**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 2014, and of its surplus 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 predecessor Hong Kong Companies Ordinance, Cap. 32.



**Roger Kam & Co.**  
**Certified Public Accountants (Practising)**

Hong Kong, 11 June 2014

# THE BOYS' BRIGADE, HONG KONG

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 HK\$	2013 HK\$
<b>Income</b>			
Government subvention		6,882,714	6,546,557
Funds received		7,479,643	5,408,075
Program income		13,032,964	8,676,270
Donation income		3,388,308	1,043,972
Fund raised from flag day		-	2,542,036
Bank interest income		8,472	10,676
Other income		386,672	332,413
		<u>31,178,773</u>	<u>24,559,999</u>
	4	<u>31,178,773</u>	<u>24,559,999</u>
<b>Expenditure</b>			
Staff costs		12,801,709	11,734,613
Rent and rates		569,389	579,535
Other administrative expenses		2,598,596	2,245,384
Funding expenses		6,602,715	4,343,120
Program expenses		6,742,332	3,849,246
Flag day expenses		-	239,583
		<u>29,314,741</u>	<u>22,991,481</u>
	5	<u>29,314,741</u>	<u>22,991,481</u>
<b>Surplus before tax</b>		1,864,032	1,568,518
Taxation	7	<u>-</u>	<u>-</u>
<b>Surplus and total comprehensive income for the year</b>		<u>1,864,032</u>	<u>1,568,518</u>

The notes on pages 9 to 18 form an integral part of these financial statements.

# THE BOYS' BRIGADE, HONG KONG

## STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2014

	Note	2014 HK\$	2013 HK\$
<b>Non-current assets</b>			
Property, plant and equipment	8	224,964	832,916
Construction in progress	9	-	197,000
		<u>224,964</u>	<u>1,029,916</u>
<b>Current assets</b>			
Accounts receivable		1,796,965	2,798,503
Deposits and prepayments		351,289	402,681
Subvention surplus receivable		378,119	378,119
Cash and bank balances		13,647,017	12,300,021
		<u>16,173,390</u>	<u>15,879,324</u>
<b>Current liabilities</b>			
Accounts payable and accrued expenses		4,225,625	6,600,543
		<u>11,947,765</u>	<u>9,278,781</u>
<b>Net current assets</b>		<u>11,947,765</u>	<u>9,278,781</u>
<b>NET ASSETS</b>		<u>12,172,729</u>	<u>10,308,697</u>
<b>RESERVES</b>			
General fund		1,687,028	1,609,556
Youth development fund		2,892,856	2,914,845
Reserve from LSG (except provident fund)		812,059	786,503
Provident fund reserve		313,815	375,632
Other reserves		6,466,971	4,622,161
		<u>12,172,729</u>	<u>10,308,697</u>

Approved and authorised for issue by the Board of Directors on 11 June 2014

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Treasurer

The notes on pages 9 to 18 form an integral part of these financial statements.

## THE BOYS' BRIGADE, HONG KONG

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2014

	General fund HK\$	Youth development fund HK\$	Reserve from Lump Sum Grant (LSG) (except provident fund) HK\$	Provident fund reserve HK\$	Reserve for youth square HK\$	Reserve for new headquarters -general purpose HK\$	Reserve for new headquarters -use for renovation HK\$	Reserve for new headquarters -use for purchase of furniture and fixtures HK\$	Total HK\$
Balance as 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) reserves from LSG (except provident fund)	(47,456)	-	47,456	-	-	-	-	-	-
Transfer from / (to) provident fund reserve	(26,473)	-	-	26,473	-	-	-	-	-
Balance as at 31 March 2013	1,609,556	2,914,845	786,503	375,632	355,323	-	3,780,372	486,466	10,308,697
Surplus for the year	1,541,211	(1,810)	-	-	(375,502)	700,133	-	-	1,864,032
Amount set aside for new headquarters premise fund	(1,500,000)	-	-	-	-	1,500,000	-	-	-
Transfer from / (to) reserve from Youth Development Fund	-	(20,179)	-	-	20,179	-	-	-	-
Transfer from / (to) reserves from LSG (except provident fund)	(25,556)	-	25,556	-	-	-	-	-	-
Transfer from / (to) provident fund reserves	61,817	-	-	(61,817)	-	-	-	-	-
Balance as at 31 March 2014	1,687,028	2,892,856	812,059	313,815	-	2,200,133	3,780,372	486,466	12,172,729

The notes on pages 9 to 18 form an integral part of these financial statements.



# THE BOYS' BRIGADE, HONG KONG

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 HK\$	2013 HK\$
<b>Cash flows from operating activities</b>			
Cash receipts in general fund		32,199,743	19,847,398
Cash receipts in youth development fund		25,150	6,031
Cash receipts in other reserves		6,810	2,302,453
Cash paid to employees and suppliers in general fund		<u>(30,828,520 )</u>	<u>(19,609,013 )</u>
<b>Cash generated from operating activities</b>		<u>1,403,183</u>	<u>2,546,869</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(56,187 )	(224,354 )
Payments for construction in progress		<u>-</u>	<u>(147,500 )</u>
<b>Net cash used in investing activities</b>		<u>(56,187 )</u>	<u>(371,854 )</u>
<b>Net increase in cash and cash equivalents</b>		1,346,996	2,175,015
<b>Cash and cash equivalents at beginning of the year</b>		<u>12,300,021</u>	<u>10,125,006</u>
<b>Cash and cash equivalents at end of the year</b>		<u>13,647,017</u>	<u>12,300,021</u>
<b>Analysis of the balances of cash and cash equivalents</b>			
Cash and bank balances		<u>13,647,017</u>	<u>12,300,021</u>

The notes on pages 9 to 18 form an integral part of these financial statements.

# THE BOYS' BRIGADE, HONG KONG

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 1 GENERAL

The company was incorporated in Hong Kong as a non-private company limited by guarantee and is engaged in provision of integrating youth service and training activities for young people. The company's registered office and business address is located at Ground Floor, 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 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 provision 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.

### 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The 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 ("HKICPA") and the requirements of the predecessor Hong Kong Companies Ordinance, Cap. 32. 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) 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%
Computer equipment	- 33 1/3%
Electrical equipment	- 33 1/3%
Furniture and fixtures	- 33 1/3%
Motor vehicles	- 20%

# THE BOYS' BRIGADE, HONG KONG

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Property, plant and equipment (continued)

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.

An 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.

(b) Accounts and other receivable

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.

(c) 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.

(d) Impairment of non-financial assets, other than inventories

At each reporting date, property, plant and equipment 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 an 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.

(e) 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.

# THE BOYS' BRIGADE, HONG KONG

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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.

(g) 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.

(h) 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. Income is recognised in profit or loss 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 in which those expenses are charged in the income and expenditure account and are deducted from the reporting 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.

# THE BOYS' BRIGADE, HONG KONG

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 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 values.

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\$25,000. Contributions to the plan vest immediately.

(i) 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, 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 the profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other income" or "other expenses."

(j) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:-

- i) a person or a close member of that person's family is related to the company if that person is a member of the key management personnel of the company.
- ii) a person or a close member of that person's family is related to the company if that person has control over the company or has joint control or significant influence over the company or has significant voting power in it.

# THE BOYS' BRIGADE, HONG KONG

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (j) Related parties (continued)
  - iii) 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).
  - iv) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
  - v) both entities are joint ventures of a third entity.
  - vi) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - vii) 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 plan.
  - viii) the entity is controlled or jointly controlled by a person identified in (i) and (ii).
  - ix) a person identified in (i) has significant voting power in the entity.

# THE BOYS' BRIGADE, HONG KONG

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 4 INCOME

	General fund headquarters HK\$	General fund - school social work unit HK\$	Youth development fund HK\$	Reserve for youth square HK\$	Reserve for new headquarters- general purpose HK\$	2014 Total HK\$	2013 Total HK\$
Government subvention:							
Home Affairs Bureau (Headquarters)	2,420,000	-	-	-	-	2,420,000	2,420,000
Social Welfare Department (Others)	-	94,141	-	-	-	94,141	29,723
Social Welfare Department (School social work unit)	-	4,368,573	-	-	-	4,368,573	4,096,834
	<u>2,420,000</u>	<u>4,462,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,882,714</u>	<u>6,546,557</u>
Funds received from:							
Community chest	637,100	-	-	-	-	637,100	678,540
Stedfast Association, Hong Kong Limited	300,000	-	-	-	-	300,000	300,000
Committee on the promotion of Civic Education	-	-	-	-	-	-	69,577
Education Bureau (SB after school learning)	256,536	-	-	-	-	256,536	231,126
Environment and Conservation Fund Secretariat							
Environment & Conservation Fund	2,259,705	-	-	-	-	2,259,705	1,856,175
Home Affairs Department							
Enhancing Self-reliance Through District							
Partnership Programme (ESR)	1,070,577	-	-	-	-	1,070,577	827,502
Home Affairs Bureau							
Committee Participation Scheme	-	-	-	-	-	-	91,869
Assistance Scheme to needy student members	200,000	-	-	-	-	200,000	200,000
Sichuan Sharity Service Programme	253,999	-	-	-	-	253,999	-
Exchange and service program in Yangshan	-	-	-	-	-	-	70,288
One-off funding	25,908	-	-	-	-	25,908	-
Thematic Fund	1,338,057	-	-	-	-	1,338,057	912,100
Lee Hysan Foundation	634,179	-	-	-	-	634,179	-
Operation Santa Claus (Sharity)	-	-	-	-	-	-	137,500
Providence Foundation (Sharity)	403,004	-	-	-	-	403,004	4,997
Sir David Trench Fund for Recreation	72,190	-	-	-	-	72,190	-
The Hong Kong Chinese Christian Churches							
Union (Mission Matching Fund)	28,388	-	-	-	-	28,388	28,401
	<u>7,479,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,479,643</u>	<u>5,408,075</u>
Programme Income							
Uniformed group training	785,343	-	-	-	-	785,343	445,726
Non-uniformed group training / others	8,839,227	46,225	25,150	6,810	-	8,917,412	8,230,544
River Pearl Delta Social Service Project	3,330,209	-	-	-	-	3,330,209	-
	<u>12,954,779</u>	<u>46,225</u>	<u>25,150</u>	<u>6,810</u>	<u>-</u>	<u>13,032,964</u>	<u>8,676,270</u>
Donation Income							
Donation income	2,643,722	-	-	-	744,586	3,388,308	1,043,972
	<u>2,643,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>744,586</u>	<u>3,388,308</u>	<u>1,043,972</u>
Fund raised from flag day							
Fund raised from flag day	-	-	-	-	-	-	2,542,036
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,542,036</u>
Bank interest income							
Bank interest income	7,504	968	-	-	-	8,472	10,676
	<u>7,504</u>	<u>968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,472</u>	<u>10,676</u>
Other income							
Other income	386,672	-	-	-	-	386,672	332,413
	<u>386,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,672</u>	<u>332,413</u>
	<u>25,892,320</u>	<u>4,509,907</u>	<u>25,150</u>	<u>6,810</u>	<u>744,586</u>	<u>31,178,773</u>	<u>24,559,999</u>

# THE BOYS' BRIGADE, HONG KONG

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 5 EXPENDITURE

	General fund - school social work unit	Youth development fund	Reserve for youth square	Reserve for new headquarters- general purpose	2014 Total	2013 Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Staff costs</b>						
Staff Salaries and allowances	7,807,878	3,865,416	-	350,420	12,023,714	11,060,296
Provident fund / MPF contribution	454,905	289,938	-	17,521	762,364	658,314
Provision for long service payment	15,631	-	-	-	15,631	16,003
	<u>8,278,414</u>	<u>4,155,354</u>	<u>-</u>	<u>367,941</u>	<u>12,801,709</u>	<u>11,734,613</u>
<b>Rent and rates</b>						
Rent and rates	535,536	33,853	-	-	569,389	579,535
	<u>535,536</u>	<u>33,853</u>	<u>-</u>	<u>-</u>	<u>569,389</u>	<u>579,535</u>
<b>Other administrative expenses</b>						
Advertising and promotion	104,489	12,733	-	-	117,222	117,222
Bank charges	30,695	681	-	-	31,376	18,543
Building management fee	444,191	-	-	-	444,191	445,523
Cleaning and sanitation	6,980	833	-	-	7,813	6,973
Computer consumable	-	-	-	-	-	2,744
Consultancy expenses	250,750	-	-	-	250,750	-
Depreciation	664,139	-	-	-	664,139	745,582
Electricity, water, telephone and fax	215,949	22,465	-	1,207	239,621	222,626
Exchange loss	28,219	-	-	-	28,219	-
Insurance	132,685	28,337	-	4,519	165,541	139,196
IT supporting service	51,554	1,982	-	-	53,536	96,657
Membership fee	29,028	-	-	-	29,028	26,136
Newspaper & periodicals	-	1,794	-	-	1,794	1,485
Postage and courier charges	38,326	147	-	-	38,473	22,841
Printing and stationery	117,047	5,318	-	-	122,365	106,066
Reference materials	-	-	-	-	-	457
Repairs and maintenance	98,585	10,581	-	-	109,166	88,826
Secretarial fee	105	-	-	-	105	105
Souvenirs	-	-	-	-	-	32,131
Staff development and welfare	78,787	8,699	-	-	87,486	108,763
Storage fee	6,875	-	-	-	6,875	5,979
Sundry expenses	45,356	3,579	-	-	48,935	26,253
Travelling and transportation	96,768	2,114	-	8,626	107,508	107,796
	<u>2,440,528</u>	<u>99,263</u>	<u>-</u>	<u>14,352</u>	<u>2,598,596</u>	<u>2,245,384</u>
<b>Funding expenses</b>						
Committee on the promotion of Civic Education Education Bureau (SB after school learning)	-	-	-	-	-	69,577
Environment and Conservation Fund Secretariat Environment & Conservation Fund	256,536	-	-	-	256,536	231,126
Home Affairs Department Enhancing Self-reliance Through District Partnership Programme (ESR)	2,259,705	-	-	-	2,259,705	1,856,175
Home Affairs Bureau Assistance Scheme to needy student members	1,070,577	-	-	-	1,070,577	827,502
Sichuan Sharity Service Programme	200,000	-	-	-	200,000	200,000
Exchange and service program in Yangshan	253,999	-	-	-	253,999	-
One-off funding	-	-	-	-	-	70,288
Thematic Fund	25,908	-	-	-	25,908	-
Lee Hysan Foundation	1,338,057	-	-	-	1,338,057	912,100
Operation Santa Claus (Sharity)	634,179	-	-	-	634,179	-
Providence Foundation (Sharity)	-	-	-	-	-	137,500
Sir David Trench Fund for recreation	403,004	-	-	-	403,004	4,997
The Hong Kong Chinese Christian Churches Union (Mission Matching Fund)	72,190	-	-	-	72,190	-
Social Welfare Department clawed back	28,389	-	-	-	28,389	28,401
	<u>6,542,544</u>	<u>60,171</u>	<u>-</u>	<u>-</u>	<u>6,602,715</u>	<u>4,343,120</u>
<b>Programme expense</b>						
Uniformed group training	836,316	-	-	-	836,316	238,914
Non-uniformed group training / others	3,116,102	52,810	26,960	18	3,195,890	3,610,332
River Pearl Delta Social Service Project	2,710,126	-	-	-	2,710,126	-
	<u>6,662,544</u>	<u>52,810</u>	<u>26,960</u>	<u>18</u>	<u>6,742,332</u>	<u>3,849,246</u>
<b>Flag day expenditure</b>						
Flag day expenditure	-	-	-	-	-	239,583
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,583</u>
	<u>24,459,566</u>	<u>4,401,451</u>	<u>26,960</u>	<u>382,311</u>	<u>29,314,741</u>	<u>22,991,481</u>



# THE BOYS' BRIGADE, HONG KONG

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 6 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the predecessor Hong Kong Companies Ordinance, Cap. 32 are as follows:-

	2014 HK\$	2013 HK\$
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

### 7 TAXATION

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

### 8 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$	Furniture and fixtures HK\$	Electrical equipment HK\$	Computer equipment HK\$	Motor vehicles HK\$	Total HK\$
<b>Cost</b>						
At 1 April 2013	3,240,889	275,275	153,684	810,649	188,754	4,669,251
Additions	<u>-</u>	<u>3,150</u>	<u>-</u>	<u>53,037</u>	<u>-</u>	<u>56,187</u>
At 31 March 2014	<u>3,240,889</u>	<u>278,425</u>	<u>153,684</u>	<u>863,686</u>	<u>188,754</u>	<u>4,725,438</u>
<b>Accumulated depreciation</b>						
At 1 April 2013	2,599,320	249,855	153,684	795,725	37,751	3,836,335
Charge for the year	<u>579,182</u>	<u>14,603</u>	<u>-</u>	<u>32,603</u>	<u>37,751</u>	<u>664,139</u>
At 31 March 2014	<u>3,178,502</u>	<u>264,458</u>	<u>153,684</u>	<u>828,328</u>	<u>75,502</u>	<u>4,500,474</u>
<b>Net book value</b>						
At 31 March 2014	<u>62,387</u>	<u>13,967</u>	<u>-</u>	<u>35,358</u>	<u>113,252</u>	<u>224,964</u>
At 31 March 2013	<u>641,569</u>	<u>25,420</u>	<u>-</u>	<u>14,924</u>	<u>151,003</u>	<u>832,916</u>

# THE BOYS' BRIGADE, HONG KONG

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 9 CONSTRUCTION IN PROGRESS

	2014 HK\$	2013 HK\$
Cost		
At the beginning of the year	197,000	49,500
Additions	-	147,500
Written off	(197,000)	-
	<u>-</u>	<u>-</u>
At the end of the year	<u>-</u>	<u>197,000</u>

### 10 LEASE COMMITMENTS

At 31 March 2014, the company had future aggregate minimum commitments under non-cancellable operating leases in respect of land and buildings as follows:

	2014 HK\$	2013 HK\$
Within one year	773,446	1,036,946
In the second to fifth years	<u>352,572</u>	<u>1,440,655</u>
	<u>1,126,018</u>	<u>2,477,601</u>

### 11 RELATED PARTY TRANSACTIONS

The company had entered into the following transactions with its related party during the year as follows:-

	2014 HK\$	2013 HK\$
<u>Related company</u>		
Funds and donations received from Stedfast Association, Hong Kong Limited	<u>366,451</u>	<u>360,488</u>

Rev. KONG Yiu Lung (2013: Rev. KONG Yiu Lung and Ms. KONG Chun Wah), the company's director, is also the director of Stedfast Association, Hong Kong Limited.

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

# **THE BOYS' BRIGADE, HONG KONG**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **12 COMPARATIVE FIGURE**

The opening balances were based on the financial statements audited by another firm of certified public accountants in Hong Kong.

Certain comparative figures have been reclassified to conform to the current year's presentation.