

THE BOYS' BRIGADE, HONG KONG
香港基督少年軍

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



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 2022.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

Background

A Brief History

The Boys' Brigade, Hong Kong ("BBHK") was incorporated in Hong Kong as a company limited by guarantee. BBHK principally engages in the provision of integrated youth services and training for the youth.

BBHK was established in 1959. With a heritage dating back to 1883, The Boys' Brigade, its genesis, was founded by Sir William Alexander Smith in Glasgow as a well-known international Christian uniform organization for the youth. Nowadays, The Boys' Brigade has become an international mission movement with its global presence in over 60 countries.

In Hong Kong, BBHK currently serves more than 14,359 members with 389 companies from churches, secondary schools, primary schools, kindergartens and youth centres all over the territory. BBHK strives to provide teenagers and children with all-round training and helps them cultivate positive personality traits comprising patience, kindness, loyalty and faithfulness as well as the sense of commitment through regular meetings with the companies on Christian education, foot drills, skills training and award programmes.

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, overseas and mainland China.

Character Building: We emphasize the value on character development and devote ourselves to helping youths to build positive core values.

Youth Integration with Community: We raise 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: We promote the importance of harmony in families, care for their spiritual needs, and strengthen what it entails in a healthy family.

Living out Christ's Life: Encourage youths to imitate Christ through spiritual disciplining, and influence life with one's own as faith being lived out.

THE BOYS' BRIGADE, HONG KONG

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Background (continued)

Our Mission

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

Exploring youth leadership potential and training young people to become leaders of the church and society; training life coaches to serve young people.

Promoting whole-person growth in youths by adopting the training approach of uniformed group.

Leading 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
Environmental Education and Recycling Service

Our Achievements

Our uniformed group services mainly provide youth training and leadership programmes to boys and girls in aged 3 to 21. As at 31 March 2022, we had a total of 389 units in across churches, secondary schools, primary schools, kindergartens and youth centres in Hong Kong with 14,359 numbers. There was a 1.9% decrease in membership due to the wide spread of COVID-19 across the globe and the prolonged restrictions on group gathering in the territory.

Due to the outbreak of the fifth wave pandemic, most of the physical gatherings were suspended in January 2022. In response to the situation, we initiated more than 20 online training programmes and sharing sessions to continue the engagement with our members.

Our professional training services were impacted during the period as there were limitations on delivering face-to-face physical training programmes. However, we sustained our services by adopting both online, face-to-face and blended mode in delivery of training programmes. We consistently received positive feedback from our service users on the arrangement of our activities..

We have extended our partnership with HKU School of Professional and Continuing Education in providing Advanced Diploma in Adventure-based Leadership in the next three years. We have already trained up 54 professional youth programme leaders since the establishment of the programme.

THE BOYS' BRIGADE, HONG KONG

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Our Achievements (continued)

We successfully operated a comprehensive adventure training facility in Ma Wan Park which comprised of the Ma Wan Event Centre its surrounding nature environment, the Adventureland in Noah's Ark. These facilities enabled us to provide a wide range of experiential learning activities, e.g. indoor and outdoor rope courses, abseiling, tree climbing, creative sports, cultural and heritage orienteering, for both our participants from uniformed group and professional training services to achieve whole person development. In short, our total training facility enhanced our training service provision and also increased our training revenue.

In response to the social needs, we have started our service to character and family education since 2010. We have launched our signature programmes, Love Family Project and Experiential Education Programmes, to promote harmony and positive mind in family and demonstrate our commitment on serving our society. These projects also arouse public awareness on these social agendas. At the same time, we have introduced a Parent Volunteer Group in February 2019 to extend our connection between our youth members and their parents.

BBHK has operated four Community Recycle Centres since 2011 to promote environmental education and recycling services. We offer job opportunities to vulnerable groups and disabled young people in these Centres. Our Environmental Education and Recycling Services are recognized by the Hong Kong General Chamber of Social Enterprises in the Social Enterprise Endorsement ("SEE") Mark scheme.

Key Performance Indicators

Uniformed Group Services

- Number of members: 14,359 members
- Number of companies: 389 companies
- Training programmes provided: 77 programmes

Professional Training Services

- Number of programmes offered: 387 programmes
- Number of participants: 40,189 participants

School Social Work Services

- Number of schools supported: 5 schools
- Number of consultation case provided: 354 cases

Character Nurturing Services

- Number of sessions provided: 10,160 sessions
- Number of participants: 119,075 participants

Environmental Education and Recycling Services

- Number of Community Recycling Centre: 4 centres
- Volume of waste collected: 1,484.02 tonnes

THE BOYS' BRIGADE, HONG KONG

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Financial performance

We adopt a prudent approach in managing our finance and maintaining a balanced budget to support our daily operations and sustain our future growth. We receive different sources of funding, including government subventions under Home Affairs Bureau and Social Welfare Department for our Uniformed Group Service and our Social Work Service, as well as designated funds from Home Affairs Bureau, Education Bureau, Environmental Protection Department and other government offices and organizations for our Character Nurturing Services and Community Recycling Centres. On the other hand, our Professional Training Services operations 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 2022, BBHK recorded a surplus of HK\$5.7 million, with a total income for the year at HK\$79.6 million. The increase in total income for the year is HK\$16.3 million (26%). In 2022, The COVID-19 pandemic seems to show a sign of easing, our Professional Training Service make use the new venue Event Centre and launched new Environmental Education Programmes, the fund and programmes income increased HK\$18.7 million (42%) and additional manpower is also required in this field. The rent expense is under normal contract and no concession in 2021-22. We succeeded in keeping donation income similar to the previous year in HK\$3.5 million.

Key Financial Indicators

	2022	2021	
Total income	HK\$79,608,332	HK\$63,325,973	Increased 26%
Donation income	HK\$3,588,067	HK\$3,873,327	Decreased 7%
Designated fund and Programme Income	HK\$63,715,348	HK\$44,988,976	Increased 42%
Staff Costs			
General Staffs	HK\$23,894,857	HK\$21,388,617	Increased 11.7%
Environmental Service Staffs	HK\$10,990,455	HK\$0	N/A
Surplus for the year	HK\$5,667,003	HK\$3,789,956	Increased 49.5%

Environmental Policies and Performance

BBHK supports and advocates environmental protection. We operate 4 Community Recycling Centres in the territory to promote the public awareness on waste recycling and make good use of reusable materials under Environmental Protection Department's Green @ Community scheme recycling network. The volume of recycled waste processed increased by 157% to 1,484.02 tonnes. Besides, we have been adopting an energy-saving approach and encouraging an eco-friendly practice in our workplace.

THE BOYS' BRIGADE, HONG KONG

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Key Stakeholder Relationships

BBHK keeps our companies and members well informed through our official website and distribution of electronic communications. We establish effective communication channels with our members through annual events, regional activities, committee meetings, companies' visits, surveys and corporate publications.

BBHK maintains close connection 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 under subvented by Home Affairs Bureau, as well as a founding member of Boys' Brigade Asia. We actively participate in forums and seminars with these bodies to share experience and knowledge on organizing youth services and operating of non-governmental organizations.

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

BBHK is a caring employer which offers fair and competitive remuneration packages. We help our staff members to maintain high productivity, team spirit and morale through team building and provision of learning and development opportunities. We maintain a rapport with our employees through regular meetings and other informal communications.

Principal Risks and Uncertainties

BBHK is a non-governmental organization. Our financial resources is not fully supported by government subventions. Other income comes from one-off programme funding, programme and training income, which depends on availability of funding programmes and competitions from other fund applicants. Another source of income is from donations which is largely affected by general economic performance. In addition, our Anchor House is a self-sustained social enterprise providing adventure training programmes to members, churches, corporations and the general public at the Noah's Ark. Our operation faces competition from similar organizations from both the public and private sectors.

Due to prolonged outbreak of COVID-19 since January 2020, our operations have inevitably impacted, in particular on our professional training services and donations received. While there are signs of relief on the pandemic with the introduction of vaccines, social restrictions are expected to prevail for a foreseeable future. Furthermore, continued change in population structure with decreasing youth population in Hong Kong places challenges to our core services. At the same time, changing in culture and interests of the youth also brings challenges on recruiting and maintaining members of our uniform group.

THE BOYS' BRIGADE, HONG KONG

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Future Development

We have formulated a long-ranged strategic plan to extend our “Professional Training” to enhance our service coverage and uplift the image of BBHK. From 2021/22 and onwards, we have further expanded our operations in Ma Wan Event Centre and Noah’s Ark to enhance our youth adventure and experiential training services. In particular, we have been upgrading our physical environment at Event Centre and revamping our programme design to introduce environmental education and cultural activities, innovative experiential learning programmes, and also wide-ranged on-line workshops. We aim at strengthening our position in providing quality and professional training programmes in Hong Kong.

“Green Project” will be one of the highlights of our service development. We target to sustain the tender from Environment Protection Department for the provision of “Community Recycling Centres” services. Besides, we also target to upgrade our “Green Environment” at Event Centre, it will be the signature venue for our “Green Programmes”, and the “Green” sustainable attitude and behavior amongst youth will be advocated and fostered there. In supporting our service development, we will also extend our reach to schools, churches, youth centres and general public through different collaboration and engagement programs for our members in the uniformed group and also the community.

In response to the expectations from our members and stakeholders, we have commissioned several taskforces at Board level to review our organizational structure and constitution in order to strengthen our corporate governance and communication throughout the organization.

Despite year 2021/22 was full of challenges, BBHK demonstrated resilience against uncertainties with the Board and management’s leadership, commitments from our staff and supports from our stakeholders. We believe our plan will continue to achieve a sustainable growth of our organization by bringing benefits to all of our members, strengthening our corporate images, and most importantly, achieving our organization’s objectives.

DIRECTORS

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

CHAN Kin Wing Benjamin
CHEUNG Lit Man
CHIU Frong
FONG Wai Kin Alex
FUNG Siu Bun
KING Sik Tai, Horace
LO Chi Man
LO Wing Ching
MA Ka Lun Alan
MOK Wa Lun Alan
SIU Chi Kong
WONG Sai Chiu William
WONG Sing Heung
WU Ting Pang
WONG Yin Yi

(appointed on 1 September 2021)

THE BOYS' BRIGADE, HONG KONG

REPORT OF THE DIRECTORS (CONTINUED)

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.

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.

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.

AUDITOR

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,



WU Ting Pang
Chairman
Date, 14 June 2022

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

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 2022, and the income and expenditure account, statement of changes in equity and 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 2022, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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.

Information other than the financial statements and auditor's report thereon

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

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA 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.

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. We report our opinion solely to you, as a body, in accordance with section 405 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


- Identify and assess the risks of material misstatements 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.

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

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.
- 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.


Roger Kam & Co.
Certified Public Accountants (Practising)

Hong Kong, 14 June 2022

THE BOYS' BRIGADE, HONG KONG

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 HK\$	2021 HK\$
Income			
Government subvention		11,759,584	11,933,885
Funds received		14,178,938	21,683,014
Programme income		49,536,409	23,305,962
Donation income		3,588,067	3,873,327
Bank interest income		10,739	21,168
Other income		534,595	723,845
Government subsidies		-	1,784,772
	4	<u>79,608,332</u>	<u>63,325,973</u>
Expenditure			
Staff costs		34,885,312	21,388,617
Rent and rates		3,284,518	911,573
Other administrative expenses		3,894,144	2,897,382
Funding expenses		13,150,413	20,279,054
Programme and fund raising expenses		18,726,942	14,059,391
	5	<u>73,941,329</u>	<u>59,536,017</u>
Surplus before tax		5,667,003	3,789,956
Taxation	8	-	-
Surplus and total comprehensive income for the year		<u>5,667,003</u>	<u>3,789,956</u>

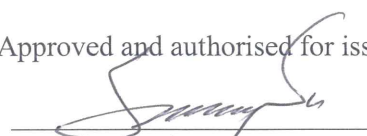
The notes on pages 15 to 24 form an integral part of these financial statements.


THE BOYS' BRIGADE, HONG KONG

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2022

	Note	2022 HK\$	2021 HK\$
Non-current assets			
Intangible assets	9	296,427	-
Property, plant and equipment	10	1,489,711	2,148,968
		<u>1,786,138</u>	<u>2,148,968</u>
Current assets			
Accounts receivables		4,322,600	3,633,349
Payments in advance		1,632,164	1,704,254
Deposits and prepayments		4,211,256	3,845,800
Fixed deposit		10,000,000	8,000,000
Cash and bank balances		38,689,733	30,861,100
		<u>58,855,753</u>	<u>48,044,503</u>
Current liabilities			
Accounts payables and receipts in advance		23,112,381	19,422,823
Accrued expenses		2,823,471	1,781,432
Provision for long service payments		113,604	63,784
		<u>26,049,456</u>	<u>21,268,039</u>
Net current assets		<u>32,806,297</u>	<u>26,776,464</u>
NET ASSETS		<u>34,592,435</u>	<u>28,925,432</u>
RESERVES			
General fund		16,287,594	11,907,173
Youth development fund		2,925,892	2,925,892
Reserve from LSG (except provident fund)		882,112	1,039,655
Provident fund reserve		217,413	235,729
Reserve for new headquarters - general purpose		8,133,208	8,133,008
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		234,299	234,297
Reserve for HAB needy students		27,482	182,840
Operating reserve		1,617,597	-
		<u>34,592,435</u>	<u>28,925,432</u>

Approved and authorised for issue by the Board of Directors on 14 June 2022


WU Ting Pang
Chairman


FONG Wai Kin, Alex
Treasurer

The notes on pages 15 to 24 form an integral part of these financial statements.

THE BOYS' BRIGADE, HONG KONG

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	General fund HK\$	Youth development 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 - use for purchase of furniture and fixtures HK\$	Reserve for Taiwan Ministry HK\$	Reserve for HAB needy students HK\$	Operating reserve HK\$	Total HK\$
Balance at 1 April 2020	8,609,563	2,925,892	680,893	247,737	8,129,088	3,780,372	486,466	234,296	41,169	-	25,135,476
Surplus for the year	3,644,364	-	-	-	3,920	-	-	1	141,671	-	3,789,956
Transfer to reserve from LSG (except provident fund)	(358,762)	-	358,762	-	-	-	-	-	-	-	-
Transfer from provident fund reserve	12,008	-	-	(12,008)	-	-	-	-	-	-	-
Balance at 31 March 2021	11,907,173	2,925,892	1,039,655	235,729	8,133,008	3,780,372	486,466	234,297	182,840	-	28,925,432
Surplus for the year	5,822,159	-	-	-	200	-	-	2	(155,358)	-	5,667,003
Transfer to operating reserve	(1,617,597)	-	-	-	-	-	-	-	-	1,617,597	-
Transfer from reserve from LSG (except provident fund)	157,543	-	(157,543)	-	-	-	-	-	-	-	-
Transfer from provident fund reserve	18,316	-	-	(18,316)	-	-	-	-	-	-	-
Balance at 31 March 2022	16,287,594	2,925,892	882,112	217,413	8,133,208	3,780,372	486,466	234,299	27,482	1,617,597	34,592,435

The notes on pages 15 to 24 form an integral part of these financial statements.

THE BOYS' BRIGADE, HONG KONG

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 HK\$	2021 HK\$
Cash flows from operating activities			
Surplus before tax		5,667,003	3,789,956
Adjustments for:-			
Amortisation	5	148,213	-
Bank interest income	4	(10,739)	(21,168)
Depreciation	5	659,257	659,258
Provision for / (reversal of) long service payments		49,820	(174,919)
Operating surplus before changes in working capital		6,513,554	4,253,127
(Increase) / decrease in accounts receivables and payments in advance		(617,161)	1,520,728
Increase in deposits and prepayments		(365,456)	(1,029,701)
Increase in accounts payables, receipts in advance and accrued expenses		4,731,597	10,558,774
Net cash generated from operating activities		10,262,534	15,302,928
Cash flows from investing activities			
Purchases of intangible assets	9	(444,640)	-
Purchases of property, plant and equipment		-	(60,000)
Bank interest received		10,739	21,168
Net cash used in investing activities		(433,901)	(38,832)
Net increase in cash and cash equivalents		9,828,633	15,264,096
Cash and cash equivalents at beginning of the year		38,861,100	23,597,004
Cash and cash equivalents at end of the year		48,689,733	38,861,100
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		38,689,733	30,861,100
Fixed deposit		10,000,000	8,000,000
		48,689,733	38,861,100

The notes on pages 15 to 24 form an integral part of these financial statements.

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 GENERAL

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 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 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 the Hong Kong Financial Reporting Standards for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong 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) 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 1/3%
Electrical equipment	- 33 1/3%
Computer equipment	- 33 1/3%
Motor vehicle	- 20%

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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) 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 the straight-line method.

(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) Impairment of non-financial assets

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.

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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.

(g) 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.

(h) 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.

(i) 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 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) Programme income is recognised in the period in which the relevant programme is completed.
- iv) Donation income is recognised as income upon receipt.

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Income recognition (continued)

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.

(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 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\$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 FOR THE YEAR ENDED 31 MARCH 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Related parties

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

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
- (i) is a member of the key management personnel of the reporting entity or a parent of the reporting entity;
 - (ii) has control or joint control over the reporting entity; or
 - (iii) has significant influence over the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:-
- (i) the entity and the reporting entity 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 reporting entity or an entity related to the reporting entity; If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity; or
 - (viii) a person identified in (a)(ii) has significant influence over the entity or is a member of the key management personnel of the entity.

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4 INCOME

	General fund - school social work unit	Youth development fund	Reserve for new headquarters - general purpose	Reserve for HAB needy students	Reserve for Taiwan Ministry	2022 Total	2021 Total
Note	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Government subvention:							
Home Affairs Bureau (Headquarters)	5,280,868	-	-	-	-	5,280,868	5,526,868
Government subvention income	39,319	-	-	-	-	39,319	38,586
Social Welfare Department (Others)	-	38,935	-	-	-	38,935	66,674
Social Welfare Department (School social work unit)	-	6,400,462	-	-	-	6,400,462	6,301,757
	<u>5,320,187</u>	<u>6,439,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,759,584</u>	<u>11,933,885</u>
Funds received:							
Community Chest	783,900	-	-	-	-	783,900	862,290
Stedfast Association, Hong Kong Limited	400,000	-	-	-	-	400,000	400,000
Anchorage project	489,791	-	-	-	-	489,791	105,700
Education Bureau							
School Based After School Learning	6,778,087	-	-	-	-	6,778,087	4,418,866
Environment and Conservation Fund Secretariat							
Environment and Conservation Fund	123,674	-	-	-	-	123,674	5,068,164
MW Clean Shorelines	137,069	-	-	-	-	137,069	-
Home Affairs Department							
Enhancing Self-reliance Through District Programme (Be Brave - 創藝館)	93,722	-	-	-	-	93,722	1,730,116
Home Affairs Bureau							
Assistance Scheme to Needy Student Members	-	-	-	550,000	-	550,000	550,000
Thematic fund	2,775,242	-	-	-	-	2,775,242	2,238,679
HSBC							
Grassroots Children's STEM Mobile Classroom	-	-	-	-	-	-	398,498
Kwai Tsing District Council							
葵青同心齊抗疫 - 口罩送贈計劃	-	-	-	-	-	-	23,256
葵青同心齊抗疫 - 派發防疫物資活動	-	-	-	-	-	-	2,434,108
葵青區交通建設及研究配套	-	-	-	-	-	-	886,639
葵青區長幼共融	170,285	-	-	-	-	170,285	-
Labour and Welfare Bureau							
Hand in Hand with SEN 童心伴同行	79,447	-	-	-	-	79,447	91,362
Commission on Children 童遊童藝	1,071	-	-	-	-	1,071	-
Quality Education Fund Secretariat							
Quality Education Fund	766,508	-	-	-	-	766,508	1,237,042
Social Welfare Department							
Child Development Fund (CDF) Projects	764,399	-	-	-	-	764,399	846,252
Sir David Trench Fund	-	-	-	-	-	-	74,255
Standing Committee on Language Education & Research							
Project of Adventure Time - Word Detective	183,623	-	-	-	-	183,623	168,801
The Hong Kong Council of Social Service							
立志啟航	82,120	-	-	-	-	82,120	60,000
Yau Tsim Mong District Council							
水果回收先導計劃	-	-	-	-	-	-	88,986
	<u>13,628,938</u>	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>-</u>	<u>14,178,938</u>	<u>21,683,014</u>
Programme income:							
Uniformed Group Programme and Training	689,092	-	-	-	-	689,092	384,009
Non-Uniformed Group Programme and Training	48,847,317	-	-	-	-	48,847,317	22,921,953
	<u>49,536,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,536,409</u>	<u>23,305,962</u>
Donation income:							
Donation income	2,485,731	-	-	200	-	2,485,931	3,055,581
Donation income from flag day	1,102,136	-	-	-	-	1,102,136	817,746
	<u>3,587,867</u>	<u>-</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>3,588,067</u>	<u>3,873,327</u>
Bank interest income:							
Bank interest income	10,713	7	-	-	17	10,739	21,168
	<u>10,713</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>10,739</u>	<u>21,168</u>
Other income:							
Company annual subscription	478,800	-	-	-	-	478,800	476,400
Other income	55,795	-	-	-	-	55,795	247,445
	<u>534,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>534,595</u>	<u>723,845</u>
Government subsidies:							
Government subsidies	-	-	-	-	-	-	1,784,772
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,784,772</u>
	<u>72,618,709</u>	<u>6,439,404</u>	<u>-</u>	<u>200</u>	<u>550,017</u>	<u>2</u>	<u>63,325,973</u>

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5 EXPENDITURE

	General fund - headquarters	General fund - school social work	Youth developm ent fund	Reserve for new headquarte rs- general	Reserve for HAB needy students	Reserve for Taiwan Ministry	2022 Total HK\$	2021 Total HK\$
Note	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Staff costs:								
Staff salaries and allowances	27,328,991	5,511,528	-	-	-	-	32,840,519	20,002,516
Provident fund / MPF contribution	1,531,190	467,467	-	-	-	-	1,998,657	1,386,101
Provision for long service payment	46,136	-	-	-	-	-	46,136	-
	<u>28,906,317</u>	<u>5,978,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,885,312</u>	<u>21,388,617</u>
Rent and rates:								
Rent and rates	3,245,199	39,319	-	-	-	-	3,284,518	911,573
	<u>3,245,199</u>	<u>39,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,284,518</u>	<u>911,573</u>
Other administrative expenses:								
Advertising, promotion and administrative expenses	701,641	44,254	-	-	-	-	745,895	503,657
Amortisation	148,213	-	-	-	-	-	148,213	-
Building management fee	259,214	-	-	-	-	-	259,214	224,185
Depreciation	659,257	-	-	-	-	-	659,257	659,258
Electricity, water, internet, telephone and fax	464,331	21,924	-	-	-	-	486,255	318,141
Insurance	336,993	33,159	-	-	-	-	370,152	401,989
Repairs, maintenance and renovation	578,197	6,699	-	-	-	-	584,896	189,875
Staff development and welfare	273,950	-	-	-	-	-	273,950	61,235
Sundry expenses	139,672	40,896	-	-	-	-	180,568	390,548
Travelling and transportation	184,146	1,598	-	-	-	-	185,744	148,494
	<u>3,745,614</u>	<u>148,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,894,144</u>	<u>2,897,382</u>
Funding expenses:								
Anchomer project	489,791	-	-	-	-	-	489,791	105,700
Education Bureau								
School Based After School Learning	6,778,087	-	-	-	-	-	6,778,087	4,418,866
Environment and Conservation Fund Secretariat								
Environment & Conservation Fund	260,743	-	-	-	-	-	260,743	5,068,164
Home Affairs Department								
Enhancing Self-Reliance Through district								
Partnership Programme - (Be Brave - 創藝館)	93,722	-	-	-	-	-	93,722	1,730,116
Home Affairs Bureau								
Assistance Scheme to needy student members	-	-	-	-	705,375	-	705,375	408,329
Thematic Fund	2,775,242	-	-	-	-	-	2,775,242	2,238,679
HSBC								
Grassroots Children's STEM Mobile Classroom	-	-	-	-	-	-	-	398,498
Kwai Tsing District Council								
葵青同心齊抗疫 - 口罩送贈計劃	-	-	-	-	-	-	-	23,256
葵青同心齊抗疫 - 派發防疫物資活動	-	-	-	-	-	-	-	2,434,108
葵青區交通建設及研究配套	-	-	-	-	-	-	-	886,639
葵青區長幼共融	170,285	-	-	-	-	-	170,285	-
Labour and Welfare Bureau								
Hand in Hand with SEN 童心伴同行	79,447	-	-	-	-	-	79,447	91,362
Commission on Children 童遊童藝	1,071	-	-	-	-	-	1,071	-
Quality Education Fund Secretariat								
Quality Education Fund	766,508	-	-	-	-	-	766,508	1,237,043
Social Welfare Department clawed back								
Child Development Fund (CDF) Projects	764,399	-	-	-	-	-	764,399	846,252
Sir David Trench Fund	-	-	-	-	-	-	-	74,255
Standing Committee on Language Education & Research								
Project of Adventure Time - Word Detective	183,623	-	-	-	-	-	183,623	168,801
The Hong Kong Council of Social Service								
立志啟航	82,120	-	-	-	-	-	82,120	60,000
Yau Tsim Mong District Council								
水果回收先導計劃	-	-	-	-	-	-	-	88,986
	<u>12,445,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>705,375</u>	<u>-</u>	<u>13,150,413</u>	<u>20,279,054</u>
Programme expenses:								
Uniformed Group Programme and Training	390,296	-	-	-	-	-	390,296	190,784
Non-Uniformed Group Programme and Training	18,119,798	-	-	-	-	-	18,119,798	13,720,869
	<u>18,510,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,510,094</u>	<u>13,911,653</u>
Fund Raising expenses:								
Expenditures for fund raising	109,286	-	-	-	-	-	109,286	66,278
Expenditures for flag day	107,562	-	-	-	-	-	107,562	81,460
	<u>216,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,848</u>	<u>147,738</u>
	<u>67,069,110</u>	<u>6,166,844</u>	<u>-</u>	<u>-</u>	<u>705,375</u>	<u>-</u>	<u>73,941,329</u>	<u>59,536,017</u>

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

6 INCOME AND EXPENDITURE OF FLAG DAY FUND-RAISING ACTIVITIES

	2022 HK\$	2021 HK\$
	(FD/T020/2021)	(FD/T026/2020)
Donation income	1,102,136	817,746
Expenditure	<u>(107,562)</u>	<u>(81,405)</u>
Net donation income	<u>994,574</u>	<u>736,341</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 2022 and 2021.

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 TAXATION

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\$
At cost	
At 1 April 2021	-
Additions	<u>444,640</u>
31 March 2022	<u>444,640</u>
Accumulated amortisation	
At 1 April 2021	-
Charge for the year	<u>148,213</u>
31 March 2022	<u>148,213</u>
Net book value	
31 March 2022	<u>296,427</u>
31 March 2021	<u>-</u>

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

10 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$	Furniture and fixtures HK\$	Electrical equipment HK\$	Computer equipment HK\$	Motor vehicle HK\$	Total HK\$
Cost						
At 1 April 2021 and 31 March 2022	3,672,876	339,822	153,684	993,796	347,636	5,507,814
Accumulated depreciation						
At 1 April 2021	1,633,435	339,822	153,684	953,796	278,109	3,358,846
Charge for the year	569,730	-	-	20,000	69,527	659,257
At 31 March 2022	2,203,165	339,822	153,684	973,796	347,636	4,018,103
Net book value						
At 31 March 2022	1,469,711	-	-	20,000	-	1,489,711
At 31 March 2021	2,039,441	-	-	40,000	69,527	2,148,968

11 LEASE COMMITMENTS

At 31 March 2022, the Company had future aggregate minimum commitments under non-cancellable operating leases in respect of land and buildings as follows:-

	2022 HK\$	2021 HK\$
Within one year	6,671,017	8,645,100
In the second to fifth years	9,111,000	15,218,017
More than five years	-	-
	<u>15,782,017</u>	<u>23,863,117</u>

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

12 RELATED PARTY TRANSACTIONS

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

	2022 HK\$	2021 HK\$
<u>Key management personnel</u>		
Salaries	2,120,655	2,063,663
Provident fund / MPF contributions	212,066	206,366
<u>Related company</u>		
Stedfast Association, Hong Kong Limited		
- Funds and donations received	<u>400,000</u>	<u>400,000</u>

Mr. Cheung Lit Man, Rev. Wong Shing Heung and Ms. WONG Yin Yi , 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.

13 CAPITAL COMMITMENT

Capital expenditure contracted at the reporting date but not yet incurred is as follows:-

	2022 HK\$	2021 HK\$
Development of a new membership IT system	<u>-</u>	<u>327,660</u>