

THE BOYS' BRIGADE, HONG KONG
香港基督少年軍

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



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 2021.

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 14,632 members with more than 382 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
School Social Work Service
Character Nurturing Service
Waste Recovery 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 2021, we had a total of 382 units in across churches, secondary schools, primary schools, kindergartens and youth centres in Hong Kong with 14,632 numbers. There was a 6.44% decrease in membership due to the wide spread of COVID-19 across the globe and the prolonged restrictions on group gathering in the territory.

Nevertheless, we responded to the situation proactively and provided necessary support and caring to our members and our communities. During the year, we organized 68 caring visits to our members and deprived groups, and distributed protective masks, disinfectant hand sanitizer and other protective gears to those in need. Furthermore, although most of physical gatherings were suspended in last year, we initiated different online training programmes and sharing sessions to continue our engagement with our members at different levels.

Our professional training services were impacted during the period as there were limitations on delivering face-to-face physical training programmes. However, leveraging on our established brand name, our network and our innovations, we sustained our operations by launching new services/ programmes such as online team building activities and "Wild Camping" from home. We were one of the pioneers in the market in organizing these programmes and we received positive feedbacks from our service participants.

THE BOYS' BRIGADE, HONG KONG

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Our Achievements (continued)

We continued our partnership with HKU School of Professional and Continuing Education in providing Advanced Diploma in Adventure-based Leadership to nurture professional trainers in Hong Kong. In addition, we further introduce "Certificate in Adventure-based Leadership" to teenagers an alternative opportunity to achieve an accredited qualification.

We successfully operated a comprehensive adventure training facilities in Ma Wan Park which comprised of Event Center and 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 uniformed group and professional training services to achieve whole person development.

In response to the social needs, we have extended 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. Besides, we have introduced Parent Volunteer Group in February 2019 to extend our connection between our youth members and their parents.

BBHK has operated a few Waste Recovery Centres since 2011 to promote environmental protection and offer job opportunities to vulnerable groups and disabled people in Hong Kong. Currently, we are running 4 recycling stores under Environmental Protection Department's Community Green Station scheme and they 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: 14,632 members
- Number of companies: 382 companies
- Training programmes provided: 118 programmes

Professional Training Services

- Number of programmes offered: 187 programmes
- Number of participants: 15,099 participants

Character Nurturing Services

- Number of sessions provided: 4,593 sessions
- Number of participants: 68,377 participants

Social work Services

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

Waste Recovery Services

- Number of waste recovery centres: 4 centres
- Volume of waste collected: 576.72 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 maintain 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 School 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 Waste Recovery Services. On the other hand, our Professional Training Services operations is self-financed. On top of the above, BBHK also receives various designated funding from the government and other bodies, including public and corporate sectors, as well as donations from the general public.

For the financial year ended 31 March 2021, BBHK recorded a surplus of HK\$3.8M, with a total income for the year at HK\$63.3 million. The increase in surplus for the year is HK\$3.5 million, which is mainly due to the receipt of an one-off subsidy from the Employment Support Scheme under the government's Anti-epidemic Fund of HK\$1.78 million, rent and rate concession of HK\$1.25 million from landlords and saving on staff costs of HK\$ 1.61 million from a staff re-organization programme, net off by a decrease in donation income of HK\$2.8 million.

Key Financial Indicators

	2021	2020
Total income	HK\$63,325,973	HK\$62,089,455
Donation income	HK\$3,873,327	HK\$6,630,994
Staff costs	HK\$21,388,617	HK\$22,998,657
Rent & Rates	HK\$911,573	HK\$2,165,588
Surplus for the year	HK\$3,789,956	HK\$217,615

Environmental Policies and Performance

BBHK supports and advocates environmental protection. We operates 4 Waste Recovery 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. From the operational side, we have been adopting 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 uniformed youth organizations subvented by the Social Welfare Department, 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 service capability and uplift the image of BBHK. From 2020/21 and onwards, we have further expanded our operations in Ma Wan Event Centre and Noah's Ark to enhance our youth and adventure training services. In particular, we have been upgrading our facilities and revamping our programme design to introduce innovative experiential learning experiences with the aim to strengthen our position in providing quality and professional training programmes in Hong Kong. We will also extend our reach to schools, churches, youth centres and general public through different collaboration and engagement programmes to foster the whole person development among the youth population in both our members in the uniformed group and 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 2020/21 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 brining benefits 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	
KING Sik Tai, Horace	
MOK Wa Lun Alan	
SIU Chi Kong	
WONG Sing Heung	
WU Ting Pang	
FUNG Siu Bun	(appointed on 27 September 2020)
LO Wing Ching	(appointed on 27 September 2020)
WONG Sai Chiu William	(appointed on 27 September 2020)
MA Ka Lun Alan	(appointed on 19 October 2020)
LO Chi Man	(appointed on 20 October 2020)
FUNG Shing Wah	(resigned on 28 September 2020)
HO King Leung, Denny	(resigned on 28 September 2020)
KONG Chun Wah	(resigned on 28 September 2020)
WONG Yin Yi	(resigned on 28 September 2020)
LAM Wai Yin	(resigned on 30 September 2020)
LEE Chun Ming	(resigned on 1 October 2020)

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.

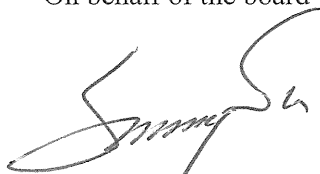
MANAGEMENT CONTRACTS

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, 16 June 2021

**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 2021, 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 2021, 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 ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, 16 June 2021

THE BOYS' BRIGADE, HONG KONG

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
Income			
Government subvention		11,933,885	11,052,239
Funds received		21,683,014	24,456,404
Programme income		23,305,962	19,289,572
Donation income		3,873,327	6,630,994
Bank interest income		21,168	87,760
Other income		723,845	572,486
Government subsidies		<u>1,784,772</u>	<u>-</u>
	4	<u>63,325,973</u>	<u>62,089,455</u>
Expenditure			
Staff costs		21,388,617	22,998,658
Rent and rates		911,573	2,165,588
Other administrative expenses		2,897,382	3,333,294
Funding expenses		20,279,054	23,283,733
Programme and fund raising expenses		<u>14,059,391</u>	<u>10,090,567</u>
	5	<u>59,536,017</u>	<u>61,871,840</u>
Surplus before tax		3,789,956	217,615
Taxation	9	<u>-</u>	<u>-</u>
Surplus and total comprehensive income for the year		<u><u>3,789,956</u></u>	<u><u>217,615</u></u>

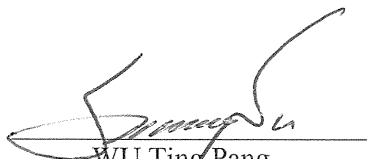
The notes on pages 15 to 24 form an integral part of these financial statements.

THE BOYS' BRIGADE, HONG KONG

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
Non-current assets			
Property, plant and equipment	10	2,148,968	2,748,226
Current assets			
Accounts receivables		3,633,349	3,554,298
Payments in advance		1,704,254	3,304,033
Deposits and prepayments		3,845,800	2,816,099
Fixed deposit		8,000,000	4,500,000
Cash and bank balances		30,861,100	19,097,004
		48,044,503	33,271,434
Current liabilities			
Accounts payables and receipts in advance		19,422,823	9,012,703
Accrued expenses		1,781,432	1,632,778
Provision for long service payments		63,784	238,703
		21,268,039	10,884,184
Net current assets		26,776,464	22,387,250
NET ASSETS		28,925,432	25,135,476
RESERVES			
General fund		11,907,173	8,609,563
Youth development fund		2,925,892	2,925,892
Reserve from LSG (except provident fund)		1,039,655	680,893
Provident fund reserve		235,729	247,737
Reserve for new headquarters - general purpose		8,133,008	8,129,088
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		234,297	234,296
Reserve for HAB needy students		182,840	41,169
		28,925,432	25,135,476

Approved and authorised for issue by the Board of Directors on 16 June 2021


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 2021

	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\$	Total HK\$
Balance at 1 April 2019	8,805,499	2,935,078	218,719	246,029	8,118,168	3,780,372	486,466	298,032	29,498	24,917,861
Surplus for the year	204,210	(9,186)	-	-	10,920	-	-	-	11,671	217,615
Transfer from reserve for Taiwan Ministry	63,736	-	-	-	-	-	-	(63,736)	-	-
Transfer to reserve from LSG	(462,174)	-	462,174	-	-	-	-	-	-	-
(except provident fund)	(1,708)	-	-	1,708	-	-	-	-	-	-
Transfer to provident fund reserve	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 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	(358,762)	-	358,762	-	-	-	-	-	-	-
(except provident fund)	12,008	-	-	(12,008)	-	-	-	-	-	-
Transfer from provident fund reserve	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2021	11,097,173	2,925,892	1,039,655	235,729	8,133,008	3,780,372	486,466	234,297	182,840	28,925,432

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 2021

	Note	2021 HK\$	2020 HK\$
Cash flows from operating activities			
Surplus before tax		3,789,956	217,615
Adjustments for:-			
Bank interest income	4	(21,168)	(87,760)
Depreciation	5	659,258	644,767
(Reversal of) / provision for long service payments		<u>(174,919)</u>	<u>102,232</u>
Operating surplus before changes in working capital		4,253,127	876,854
Decrease in accounts receivables and payments in advance		1,520,728	1,349,922
Increase in deposits and prepayments		(1,029,701)	(622,044)
Increase in accounts payables, receipts in advance and accrued expenses		<u>10,558,774</u>	<u>1,185,327</u>
Net cash generated from operating activities		<u>15,302,928</u>	<u>2,790,059</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(60,000)	(2,099,957)
Bank interest received		<u>21,168</u>	<u>87,760</u>
Net cash used in investing activities		<u>(38,832)</u>	<u>(2,012,197)</u>
Net increase in cash and cash equivalents		15,264,096	777,862
Cash and cash equivalents at beginning of the year		<u>23,597,004</u>	<u>22,819,142</u>
Cash and cash equivalents at end of the year		<u>38,861,100</u>	<u>23,597,004</u>
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		30,861,100	19,097,004
Fixed deposit		<u>8,000,000</u>	<u>4,500,000</u>
		<u>38,861,100</u>	<u>23,597,004</u>

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 2021

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 2021

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 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.

(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

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 2021

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. 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.
- v) Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- vi) Government subsidies that compensate the Company for expenses incurred are recognised as income in the income and expenditure account on a systematic basis in the same periods in which the expenses are incurred.

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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\$30,000. Contributions to the plan vest immediately.

(j) 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.

(k) 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 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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 2021

4 INCOME

Note	General fund - headquarters HK\$	General fund - school social work unit HK\$	Youth development fund HK\$	Reserve for new headquarters- general purpose HK\$	Reserve for HAB needy students HK\$	Reserve for Taiwan Ministry HK\$	2021 Total HK\$	2020 Total HK\$
Government subvention:								
Home Affairs Bureau (Headquarters)	5,526,868	-	-	-	-	-	5,526,868	5,280,868
Government subvention income	38,586	-	-	-	-	-	38,586	40,553
Social Welfare Department (Others)	-	66,674	-	-	-	-	66,674	29,767
Social Welfare Department (School social work unit)	-	6,301,757	-	-	-	-	6,301,757	5,701,051
	5,565,454	6,368,431	-	-	-	-	11,933,885	11,052,239
Funds received:								
Community Chest	862,290	-	-	-	-	-	862,290	761,000
Stedfast Association, Hong Kong Limited	400,000	-	-	-	-	-	400,000	400,000
Anchorer project	105,700	-	-	-	-	-	105,700	-
Education Bureau								
School Based After School Learning	4,418,866	-	-	-	-	-	4,418,866	4,730,006
Environment and Conservation Fund Secretariat								
Environment and Conservation Fund	5,068,164	-	-	-	-	-	5,068,164	7,551,150
Home Affairs Department								
Enhancing Self-reliance Through District Programme (Be Brave - 創藝館)	1,730,116	-	-	-	-	-	1,730,116	1,828,005
Home Affairs Bureau								
Assistance Scheme to Needy Student Members	-	-	-	-	550,000	-	550,000	550,000
One off funding to support improvement works for the training facilities	-	-	-	-	-	-	-	174,686
蘇格蘭文流團	-	-	-	-	-	-	-	200,702
Thematic fund	2,238,679	-	-	-	-	-	2,238,679	2,805,633
HSBC								
Grassroots Children's STEM Mobile Classroom	398,498	-	-	-	-	-	398,498	97,186
The Sir Robert Ho Tung Charitable Fund	-	-	-	-	-	-	-	173,826
Kwai Tsing District Council								
葵青同心齊抗疫 - 口罩送贈計劃	23,256	-	-	-	-	-	23,256	1,242,629
葵青同心齊抗疫 - 派發防疫物資活動	2,434,108	-	-	-	-	-	2,434,108	-
葵青區交通建設及研究配套	886,639	-	-	-	-	-	886,639	-
Labour and Welfare Bureau								
Hand in hand with SEN	91,362	-	-	-	-	-	91,362	33,653
Quality Education Fund Secretariat								
Quality Education Fund	1,237,042	-	-	-	-	-	1,237,042	1,750,447
Social Welfare Department								
Child Development Fund (CDF) Projects	846,252	-	-	-	-	-	846,252	1,369,626
Sir David Trench Fund	74,255	-	-	-	-	-	74,255	-
Standing Committee on Language Education & Research								
Project of Adventure Time - Word Detective	168,801	-	-	-	-	-	168,801	786,855
The Hong Kong Council of Social Service								
立志啟航	60,000	-	-	-	-	-	60,000	1,000
Yau Tsim Mong District Council								
水果回收先導計劃	88,986	-	-	-	-	-	88,986	-
	21,133,014	-	-	-	550,000	-	21,683,014	24,456,404
Programme income:								
Uniformed Group Programme and Training	384,009	-	-	-	-	-	384,009	1,245,064
Non-Uniformed Group Programme and Training	22,921,953	-	-	-	-	-	22,921,953	18,044,508
	23,305,962	-	-	-	-	-	23,305,962	19,289,572
Donation income:								
Donation income	3,051,581	-	-	4,000	-	-	3,055,581	3,908,164
Donation income from flag day	817,746	-	-	-	-	-	817,746	2,658,838
Donation income from charity sales	-	-	-	-	-	-	-	63,992
	3,869,327	-	-	4,000	-	-	3,873,327	6,630,994
Bank interest income:								
Bank interest income	21,160	7	-	-	-	1	21,168	87,760
	21,160	7	-	-	-	1	21,168	87,760
Other income:								
Company annual subscription	476,400	-	-	-	-	-	476,400	484,600
Other income	247,445	-	-	-	-	-	247,445	87,886
	723,845	-	-	-	-	-	723,845	572,486
Government subsidies:								
Government subsidies	1,784,772	-	-	-	-	-	1,784,772	-
	1,784,772	-	-	-	-	-	1,784,772	-
	56,403,534	6,368,438	-	4,000	550,000	1	63,325,973	62,089,455

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 EXPENDITURE

Note	General fund - headquarters HK\$	General fund - school social work unit HK\$	Youth development fund HK\$	Reserve for new headquarters- general HK\$	Reserve for HAB needy students HK\$	Reserve for Taiwan Ministry HK\$	2021 Total HK\$	2020 Total HK\$
Staff costs:								
Staff salaries and allowances	14,592,358	5,410,158	-	-	-	-	20,002,516	21,495,938
Provident fund / MPF contribution	930,915	455,186	-	-	-	-	1,386,101	1,400,488
Long service payment	-	-	-	-	-	-	-	102,232
	<u>15,523,273</u>	<u>5,865,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,388,617</u>	<u>22,998,658</u>
Rent and rates:								
Rent and rates	872,987	38,586	-	-	-	-	911,573	2,165,588
	<u>872,987</u>	<u>38,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>911,573</u>	<u>2,165,588</u>
Other administrative expenses:								
Advertising, promotion and administrative expenses	493,421	10,236	-	-	-	-	503,657	666,233
Building management fee	224,185	-	-	-	-	-	224,185	280,231
Depreciation	659,258	-	-	-	-	-	659,258	644,767
Electricity, water, internet, telephone and fax	309,831	8,310	-	-	-	-	318,141	456,261
Exchange loss	-	-	-	-	-	-	-	6
Insurance	369,683	32,306	-	-	-	-	401,989	408,116
Repairs, maintenance and renovation	185,849	4,026	-	-	-	-	189,875	379,613
Staff development and welfare	54,461	6,774	-	-	-	-	61,235	114,241
Sundry expenses	363,954	26,594	-	-	-	-	390,548	237,934
Travelling and transportation	147,595	899	-	-	-	-	148,494	145,892
	<u>2,808,237</u>	<u>89,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,897,382</u>	<u>3,333,294</u>
Funding expenses:								
Anchorage project	105,700	-	-	-	-	-	105,700	-
Education Bureau								
School Based After School Learning	4,418,866	-	-	-	-	-	4,418,866	4,730,006
Environment and Conservation Fund Secretariat								
Environment & Conservation Fund	5,068,164	-	-	-	-	-	5,068,164	7,551,150
Home Affairs Department								
Enhancing Self-Reliance Through district								
Partnership Programme - (Be Brave - 創藝館)	1,730,116	-	-	-	-	-	1,730,116	1,828,005
Home Affairs Bureau								
Assistance Scheme to needy student members	-	-	-	-	408,329	-	408,329	538,329
One off funding to support improvement								
works for the training facilities	-	-	-	-	-	-	-	174,686
蘇格蘭文流團	-	-	-	-	-	-	-	200,702
Thematic Fund	2,238,679	-	-	-	-	-	2,238,679	2,805,633
HSBC								
Grassroots Children's STEM Mobile Classroom	398,498	-	-	-	-	-	398,498	97,186
The Sir Robert Ho Tung Charitable Fund	-	-	-	-	-	-	-	173,826
Kwai Tsing District Council								
葵青同心齊抗疫 - 口罩送贈計劃	23,256	-	-	-	-	-	23,256	1,242,629
葵青同心齊抗疫 - 派發防疫物資活動	2,434,108	-	-	-	-	-	2,434,108	-
葵青區交通建設及研究配套	886,639	-	-	-	-	-	886,639	-
Labour and Welfare Bureau								
Hand in hand with SEN	91,362	-	-	-	-	-	91,362	33,653
Quality Education Fund Secretariat								
Quality Education Fund	1,237,043	-	-	-	-	-	1,237,043	1,750,447
Social Welfare Department clawed back								
Child Development Fund (CDF) Projects	846,252	-	-	-	-	-	846,252	1,369,626
Sir David Trench Fund	74,255	-	-	-	-	-	74,255	-
Standing Committee on Language Education & Research								
Project of Adventure Time - Word Detective	168,801	-	-	-	-	-	168,801	786,855
The Hong Kong Council of Social Service								
立志啟航	60,000	-	-	-	-	-	60,000	1,000
Yau Tsim Mong District Council								
水果回收先導計劃	88,986	-	-	-	-	-	88,986	-
	<u>19,870,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>408,329</u>	<u>-</u>	<u>20,279,054</u>	<u>23,283,733</u>
Programme expenses:								
Uniformed Group Programme and Training	190,784	-	-	-	-	-	190,784	1,527,013
Non-Uniformed Group Programme and Training	13,720,011	858	-	-	-	-	13,720,869	8,106,064
	<u>13,910,795</u>	<u>858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,911,653</u>	<u>9,633,077</u>
Fund Raising expenses:								
Expenditures for fund raising	66,198	-	-	80	-	-	66,278	236,594
Expenditures for flag day	81,460	-	-	-	-	-	81,460	209,203
Expenditures for charity sales - 樂滿罐	-	-	-	-	-	-	-	11,693
	<u>147,658</u>	<u>-</u>	<u>-</u>	<u>80</u>	<u>-</u>	<u>-</u>	<u>147,738</u>	<u>457,490</u>
	<u>53,133,675</u>	<u>5,993,933</u>	<u>-</u>	<u>80</u>	<u>408,329</u>	<u>-</u>	<u>59,536,017</u>	<u>61,871,840</u>

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

6 INCOME AND EXPENDITURE OF FLAG DAY FUND-RAISING ACTIVITIES

	2021 HK\$	2020 HK\$
	(FD/T026/2020)	(FD/T029/2019)
Donation income	817,746	2,658,838
Expenditure	<u>(81,405)</u>	<u>(209,203)</u>
Net donation income	<u>736,341</u>	<u>2,449,635</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 2021 and 2020.

7 INCOME AND EXPENDITURE OF CHARITY SALES – 樂滿罐

	2021 HK\$	2020 HK\$
#2019/038/01		
Charity sales and donation income	-	52,291
Expenditure	<u>-</u>	<u>(9,259)</u>
Net charity sales and donation income	<u>-</u>	<u>43,032</u>
#2019/070/01		
Charity sales and donation income	-	11,701
Expenditure	<u>-</u>	<u>(2,434)</u>
	<u>-</u>	<u>9,267</u>
Net charity sales and donation income	<u>-</u>	<u>52,299</u>

For the funds raised in the 樂滿罐, net income had been used for the service development of The Boys' Brigade, Hong Kong.

8 DIRECTORS' REMUNERATION

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

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9 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.

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 2020	3,672,876	339,822	153,684	933,796	347,636	5,447,814
Additions	-	-	-	60,000	-	60,000
At 31 March 2021	3,672,876	339,822	153,684	993,796	347,636	5,507,814
Accumulated depreciation						
At 1 April 2020	1,063,705	339,822	153,684	933,796	208,581	2,699,588
Charge for the year	569,730	-	-	20,000	69,528	659,258
At 31 March 2021	1,633,435	339,822	153,684	953,796	278,109	3,358,846
Net book value						
At 31 March 2021	2,039,441	-	-	40,000	69,527	2,148,968
At 31 March 2020	2,609,171	-	-	-	139,055	2,748,226

11 LEASE COMMITMENTS

At 31 March 2021, the Company had future aggregate minimum commitments under non-cancellable operating leases in respect of land and buildings as follows:-

	2021 HK\$	2020 HK\$
Within one year	8,645,100	4,889,600
In the second to fifth years	15,218,017	14,633,400
More than five years	-	2,775,300
	<u>23,863,117</u>	<u>22,298,300</u>

THE BOYS' BRIGADE, HONG KONG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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:

	2021 HK\$	2020 HK\$
<u>Key management personnel</u>		
Salaries	2,063,663	2,386,813
Provident fund / MPF contributions	206,366	238,681
<u>Related company</u>		
Stedfast Association, Hong Kong Limited		
- Funds and donations received	<u>400,000</u>	<u>552,017</u>

Mr. CHEUNG Lit Man and Rev. WONG Sing Heung, the Company's directors, are also the directors of Stedfast Association, Hong Kong Limited for the year.

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:-

	2021 HK\$	2020 HK\$
Development of a new membership IT system	<u>327,660</u>	<u>327,660</u>