

The Boys' Brigade, Hong Kong Limited
香港基督少年軍有限公司

Annual Financial Report

For the period from 1 April 2012 to 31 March 2013

SIMON Y. P. CHAN & CO.

Certified Public Accountants

陳以波會計師事務所

HONG KONG

The Boys' Brigade, Hong Kong Limited
香港基督少年軍有限公司

Annual Financial Report (AFR)
For the period from 1 April 2012 to 31 March 2013

| <u>Contents</u> | <u>Page(s)</u> |
|--------------------------------------|----------------|
| Auditors' review report | 1 |
| Annual financial report | 2 |
| Notes on the annual financial report | 3 - 10 |

Authorised signature



Name

Mr. Cheung Lit Man

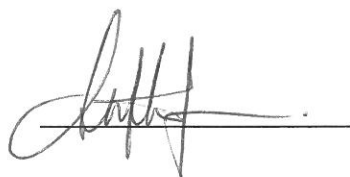
Title

Vice-chairman

Date

30 July 2013

Authorised signature



Name

Mr. Tam Wan Chung

Title

Treasurer

Date

30 July 2013



SIMON Y. P. CHAN & CO.

Certified Public Accountants

陳以波會計師事務所

Review report to the management board of

The Boys' Brigade, Hong Kong Limited (the "Charity")

香港基督少年軍有限公司

(Incorporated in Hong Kong with limited by guarantee)

We have audited the financial statements of the Charity for the year ended 31 March 2013 and have issued an unqualified auditors' report thereon dated 10 June 2013.

We conducted our review of the attached Annual Financial Report on pages 2 to 10 of the Charity for the period from 1 April 2012 to 31 March 2013 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Charity, on which the above audited financial statements of the Charity are based.

Review conclusions

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Charity for the year ended 31 March 2013:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Charity; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Charity has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund, Tide-over Grant and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR;
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - iv. employed the staff quoted in the Tide-over Grant and Provident Fund arrangements during the year ended 31 March 2013.

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.


Certified Public Accountants (Practising)
Hong Kong, 30 July 2013

Agency Code And Name : The Boys' Brigade, Hong Kong (060)

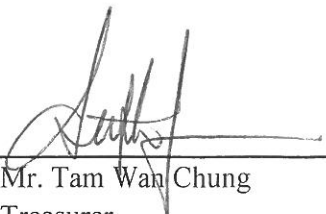
Annual Financial Report

For the period from 1 April 2012 to 31 March 2013

| | | Note | 2012-2013 | 2011-2012 | Remarks |
|---|----|------|---------------------|---------------------|---------|
| | | | \$ | \$ | |
| A. INCOME | | | | | |
| 1. Lump Sum Grant | | | | | |
| a. Lump Sum Grant(excluding Provident Fund) | 1b | | 3,064,648.00 | 2,925,931.00 | |
| b. Provident Fund | 1c | | 211,962.00 | 203,158.00 | |
| 2. Special One-off Grant | | | - | - | |
| 3. Fee Income | 2 | | - | - | |
| 4. Central Items | 3 | | 820,224.00 | 820,224.00 | |
| 5. Rent and Rates | 4 | | - | 152,228.00 | |
| 6. Others Income | 5 | | 400.00 | 4.21 | |
| 7. Interest Received | | | 945.43 | 40.36 | |
| TOTAL INCOME | | | 4,098,179.43 | 4,101,585.57 | |
| B. EXPENDITURE | | | | | |
| 1. Personal Emoluments | | | | | |
| a. Salaries | | | 2,997,517.00 | 2,795,968.27 | |
| b. Provident Fund | 1c | | 185,489.06 | 171,473.83 | |
| c. Allowances | | | - | - | |
| Sub-total | 6 | | 3,183,006.06 | 2,967,442.10 | |
| 2. Other Charges | 7 | | 148,494.90 | 160,218.36 | |
| 3. Central Items | 3 | | 754,049.12 | 760,052.68 | |
| 4. Rent and Rates | 4 | | 29,722.89 | 182,792.49 | |
| 5. Special One-off Grant Payments | 7a | | - | - | |
| TOTAL EXPENDITURE | | | 4,115,272.97 | 4,070,505.63 | |
| C. SURPLUS/(DEFICIT) FOR THE YEAR | 8 | | (17,093.54) | 31,079.94 | |
| | | | | | |


 Mr. Cheung Lit Man
 Vice-chairman

Date : 30 July 2013


 Mr. Tam Wah Chung
 Treasurer

Date : 30 July 2013

Notes on the Annual Financial Report

For the period from 1 April 2012 to 31 March 2013

1. Lump Sum Grant

- a. **Basis of preparation** (i) The Annual Financial Report (AFR) is prepared on cash basis, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. Non-cash items like depreciation, provisions and accruals should not be included in the AFR

- b. **Lump Sum Grant (excluding Provident Fund)** This represents LSG (excluding Provident Fund) received for the year.

- c. **Provident Fund** This is Provident Fund received and contributed during the year.
Snapshot staff are defined as those staff occupying recognised or holding against subvented posts as at 1 April 2000.
6.8% and other posts represent those staff that are employed after 1 April 2000.
Please note that the PF received and contributed for staff under the Central Items should be shown under 3. In other words, such PF should not be included here (LSG Circular No.1/2001).
Details are analysed below :

| <u>Provident Fund Contribution</u> | <u>Snapshot Staff</u> | <u>6.8% and Other Posts</u> | <u>Total</u> |
|--|-----------------------|---------------------------------|-------------------|
| | \$ | \$ | \$ |
| Subvention Received | 58,724.00 | 153,238.00 | 211,962.00 |
| Provident Fund Contribution Paid during the year | (42,867.00) | (142,622.06) | (185,489.06) |
| Surplus/(Deficit) for the year | 15,857.00 | 10,615.94 | 26,472.94 |
| Add: Surplus/(Deficit) b/f | 57,330.99 | 291,827.87 | 349,158.86 |
| Surplus/(Deficit) c/f | 73,187.99 | 302,443.81 | 375,631.80 |

2. **Fee Income** This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG Manual.

3. **Central Items** These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The PF received and contributed for staff under the Central Items should be separately included as part of the income and expenditure of the relevant items (LSG Circular No.1/2001). The income and expenditure of each of the Central Items are as follows:

Notes on the Annual Financial Report

For the period from 1 April 2012 to 31 March 2013

| | <u>2012-13</u> | <u>2011-12</u> |
|---|-------------------|-------------------|
| | \$ | \$ |
| a. <u>Income</u> | | |
| Dementia Supplement for Elderly with Disabilities | - | - |
| Infirmity Care Supplement for the Aged Blind Person | - | - |
| Dementia Supplement for Residential Elderly Services | - | - |
| Infirmity Care Supplement for Residential Elderly Services | - | - |
| Foster Care Allowance/Emergency Foster Care Allowance | - | - |
| After School Care Programme | - | - |
| Programme Assistants/Care Assistants (Permanent) for Elderly Services and Rehabilitation Medical and Social Services | - | - |
| Temporary Financial Aid | - | - |
| Emergency Fund | - | - |
| Time-defined Subsidy Scheme for Extended Hours Child Care Services | - | - |
| Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC | - | - |
| Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services | - | - |
| Programme Work posts for one years in 2012-13 | 820,224.00 | 820,224.00 |
| Regularized Programme Assistant (PA) /Care Assistants (CA) | - | - |
| Subsidy under the Home Environment Improvement Scheme for the Elderly | - | - |
| Short-term Rental Assistance to Newly Discharged Prisoners | - | - |
| One-off Supplementary Grant for Service Re-engineering Plan of the Factory for the Blind | - | - |
| Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on call Allowance) | - | - |
| Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy | - | - |
| NSCCP - Subsidy for Fee Reduction/waiving | - | - |
| Time-defined Supplementary Grant to Operator of Wing Lung Bank Golden Jubilee Sheltered Workshop & Hostel / Hang Ngai Workshop & Hostel | - | - |
| Time-defined Subsidy Scheme for Occasional Child Care Service | - | - |
| Financial Incentive Scheme for Mentors of Employees with Disabilities | - | - |
| Total | 820,224.00 | 820,224.00 |

Notes on the Annual Financial Report

For the period from 1 April 2012 to 31 March 2013

| | <u>2012-13</u> | <u>2011-12</u> |
|---|-------------------|-------------------|
| | \$ | \$ |
| b. <u>Expenditure</u> | | |
| Dementia Supplement for Elderly with Disabilities | - | - |
| Infirmity Care Supplement for the Aged Blind Person | - | - |
| Dementia Supplement for Residential Elderly Services | - | - |
| Infirmity Care Supplement for Residential Elderly Services | - | - |
| Foster Care Allowance/Emergency Foster Care Allowance | - | - |
| After School Care Programme | - | - |
| Programme Assistants/Care Assistants (Permanent) for Elderly Services and Rehabilitation Medical and Social Services | - | - |
| Temporary Financial Aid | - | - |
| Emergency Fund | - | - |
| Time-defined Subsidy Scheme for Extended Hours Child Care Services | - | - |
| Training Subsidy Scheme for Standalone Child Care Centre (CCC), KG-cum-CCC and Residential CCC | - | - |
| Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services | - | - |
| Programme Work posts for one years in 2012-13 | 754,049.12 | 760,052.68 |
| Regularized Programme Assistant (PA) /Care Assistants (CA) | - | - |
| Subsidy under the Home Environment Improvement Scheme for the Elderly | - | - |
| Short-term Rental Assistance to Newly Discharged Persons | - | - |
| One-off Supplementary Grant for Service Re-engineering Plan of the Factory for the Blind | - | - |
| Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance (Overnight On-site-on call Allowance) | - | - |
| Neighbourhood Support Child Care Project (NSCCP) - Contract Subsidy | - | - |
| NSCCP - Subsidy for Fee Reduction/waiving | - | - |
| Time-defined Supplementary Grant to Operator of Wing Lung Bank Golden Jubilee Sheltered Workshop & Hostel / Hang Ngai Workshop & Hostel | - | - |
| Time-defined Subsidy Scheme for Occasional Child Care Service | - | - |
| Financial Incentive Scheme for Mentors of Employees with Disabilities | - | - |
| Total | <u>754,049.12</u> | <u>760,052.68</u> |

Notes on the Annual Financial Report

For the period from 1 April 2012 to 31 March 2013

4. **Rent and Rates** This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD should not be included in AFR.

5. **Other Income** This includes programme income and all income other than recognised social welfare fee income received during the year. Non-SWD subventions and donations received need not be included as Other Income in AFR. However, treatment of fees and charges as specified under para.2.27 to 2.28 of the Manual remains unchanged (paragraph 3.9 of the Manual).

6. **Personal Emoluments** Personal Emoluments include salary, provident fund and salary-related allowances. The analysis on number of posts with annual Personal Emoluments over \$500,000 each is appended below:

| <u>Analysis of Personal Emoluments</u> | <u>No of Posts</u> | <u>\$</u> |
|---|---------------------------|------------------|
| HK\$500,001-HK\$600,000 p.a. | 1 | 571,560.00 |
| HK\$600,001-HK\$700,000 p.a. | - | - |
| HK\$700,001-HK\$800,000 p.a. | - | - |
| HK\$800,001-HK\$900,000 p.a. | - | - |
| HK\$900,001-HK\$1,000,000 p.a. | - | - |
| >HK\$1,000,000 p.a. | - | - |

7. **Other Charges** The breakdown on Other Charges is as follows:

| | <u>2012-13</u> | <u>2011-12</u> |
|----------------------------------|-----------------------|-----------------------|
| <u>Other Charges</u> | <u>\$</u> | <u>\$</u> |
| a. Utilities | 24,017.44 | 22,958.39 |
| b. Food | - | - |
| c. Administrative Expenses | 38,905.53 | 42,547.12 |
| d. Stores and Equipment | 5,448.90 | 8,761.00 |
| e. Repair and Maintenance | 2,944.00 | 5,972.80 |
| f. Specific Allowance | - | - |
| g. Programme Expenses | 18,420.28 | 41,776.92 |
| h. Transportation and Travelling | 2,090.50 | 1,343.70 |
| i. Insurance | 33,815.01 | 17,633.13 |
| j. Miscellaneous | 22,853.24 | 19,225.30 |
| TOTAL | 148,494.90 | 160,218.36 |

7a. **Special One-off Grant Payments**

Details of Special One-off Grant Payments are as follows:

| | <u>2012-13</u> | <u>2011-12</u> |
|---------------------------------------|-----------------------|-----------------------|
| | <u>\$</u> | <u>\$</u> |
| Special one-off Grant Payments | | |
| a. Voluntary Retirement Scheme | - | - |
| b. Compensation Scheme | - | - |
| c. Staff Training and Development | - | - |
| d. Other Staff-related Initiatives | - | - |
| TOTAL | - | - |

Agency Code And Name : The Boys' Brigade, Hong Kong (060)

Notes on the Annual Financial Report

For the period from 1 April 2012 to 31 March 2013

8. Analysis of Reserve Fund

| | Analysis of Reserve Fund | | | | | Remark |
|--|--------------------------|-----------------------------|----------------|---------------|--------------|-------------------|
| | Lump Sum Grant & TOG | Special One-off Grant (SOG) | Rent and Rates | Central Items | Total | |
| | \$ | \$ | \$ | \$ | \$ | |
| INCOME | | | | | | |
| Lump Sum Grant | 3,276,610.00 | - | - | - | 3,276,610.00 | |
| Special One-off Grant | - | - | - | - | - | |
| Fee Income | - | - | - | - | - | |
| Other Income | 400.00 | - | - | - | 400.00 | |
| Interest Received (Noted (1)) | 945.43 | - | - | - | 945.43 | |
| Rent and Rates | - | - | - | - | - | |
| Central Items | - | - | - | 820,224.00 | 820,224.00 | |
| Total Income (a) | 3,277,955.43 | - | - | 820,224.00 | 4,098,179.43 | |
| EXPENDITURE | | | | | | |
| Personal emoluments | 3,183,006.06 | - | - | - | 3,183,006.06 | |
| Others Charges | 148,494.90 | - | - | - | 148,494.90 | |
| Rent and Rates | - | - | 29,722.89 | - | 29,722.89 | R1: R&R |
| Central Items | - | - | - | 754,049.12 | 754,049.12 | |
| Special One-off Grant Payments | - | - | - | - | - | |
| Total Expenditures (b) | 3,331,500.96 | - | 29,722.89 | 754,049.12 | 4,115,272.97 | |
| Surplus/(Deficit) for the Year (a)-(b) | (53,545.53) | - | (29,722.89) | 66,174.88 | (17,093.54) | |
| Less: Surplus/(Deficit) of Provident Fund | 26,472.94 | - | - | - | 26,472.94 | |
| | (80,018.47) | - | (29,722.89) | 66,174.88 | (43,566.48) | |
| Surplus/(Deficit) b/f | 488,402.80 | - | (30,564.49) | 43,952.12 | 501,790.43 | |
| | 408,384.33 | - | (60,287.38) | 110,127.00 | 458,223.95 | |
| Less : Refund to Governmnet | - | - | - | 5,453.82 | 5,453.82 | R2: Central Items |
| | - | - | - | - | - | |
| Add/(Less): Transfer from LSG Reserve to cover the salary adjustment for Programme Assistants, Care Assisstant, Dementia Supplement and Infirmary Care Supplementary | - | - | - | - | - | |
| Surplus/(Deficit) c/f (Note 3) | 408,384.33 | - | (60,287.38) | 104,673.18 | 452,770.13 | |

Exp before MPF 3,146,011.90
 @25% 786,502.98
 Diff w/ LSG surplus (378,118.65)

Remarks:

R1 Apply for claim for Rent \$29,430 & Rates \$292.89 for 2012-13

R2 Clawed back Central Items surplus for 2010-11 (ISWD/SF/SM/060 III)

Notes:

- Interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant should be included as one item under LSG; and the items is considered as part of LSG reserve.
- Accumulated balance Lump Sum Grant Surplus b/f from previous years and all interest received in previous years should be included in the surplus b/f under LSG.
- Amount of LSG Reserve used to cover the salary adjustment for Programme Assistants, Care Assistants, Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items **Annex 2**.
- The level of LSG cumulative reserve (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

Schedule for Central Items

Analysis of Subvention and Expenditure for the Period from 1 April 2012 to 31 March 2013

Annex 1
(Page 2)

Notes :

1. The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.r.o. the following central items arising from salary adjustment can be transferred to the Lump Sum Grant Reserve as stated in our letter ref. (23) in SWD/S/104/2 Pt. 4 dated 16 July 2008.
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmary Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmary Care Supplement for Residential Elderly services
 - (v) Regularized Programme Assistants (PA) / Care Assistants (CA)
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
7. Unit codes and names assigned by SWD should be filled, if available.
8. As the above schedule may not be exhaustive in content, any relevant details in respect of central items released and/or expended during the year may also be included, where appropriate.

Agency Code And Name : The Boys' Brigade, Hong Kong (060)


Schedule for Investment

Analysis of Investment for the period from 1 April 2012 to 31 March 2013

| | <u>Year 2013</u> | | <u>Year 2012</u> |
|---|------------------|----------------|------------------|
| | <u>HKD'000</u> | <u>HKD'000</u> | <u>HKD'000</u> |
| LSG Reserve as at 31 March | 408 | 378 | 739 |
| Represented by: | | | |
| Investments | | | |
| a. HKD Bank Account Balances | 408 | 124 | 159 |
| b. HKD 24-hour Call Deposits | X | X | X |
| c. HKD Fixed Deposits | X | 624 | 624 |
| d. HKD Certificate of Deposits | X | X | X |
| e. HKD Bonds (see appendix for breakdown) | X | X | X |
| | <u>408</u> | <u>748</u> | <u>783</u> |


Notes: The investments should be reported at historical cost

Confirmed by:-



Mr. Cheung Lit Man
Vice-chairman

Date : 30 July 2013



Mr. Tam Wan Chung
Treasurer

Date : 30 July 2013

